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ITAR-TASS Carries Press Review for 22 Jun

LD2206072295 Moscow ITAR-TASS in English 0645 GMT 22 Jun 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW June 22 (ITAR-TASS) — All Moscow-based Russian newspapers comment on the passage of a motion of no-confedence in the Russian government by the State Duma on Wednesday.

ROSSIYSKAYA GAZETA cautions those in Parliament who actively insist on the formation of a coalition government. Under the headline "A coalition government is never efficient", the newspaper runs a commentary analysing the current make-up of the Cabinet person by person, and states that the current government is already "ill-assorted" enough.

The newspaper draws a conclusion that "the formation of a new government would lead only to a continuation of the keen struggle between parties, lobbies and regions".

IZVESTIYA runs a commentary by the newspaper's parliamentary news analyst Sergey Chugayev under the headline "The Duma challenges the President, demanding the government's resignation".

Chugayev points out that the Duma's no-confedence motion will not have any serious consequences for the Executive Branch. At most, following a repeated vote of no-confidence in the government, the President may appoint another Premier or dissolve the Duma.

Thus, there is every ground to believe that the entire discussion of the no-confedence motion was nothing more than yet another spectacular pre-election show staged by the leaders of opposition factions, primarily the Communists, to make most of the situation that has arisen in the country following the Budennovsk hostage crisis.

SOVETSKAYA ROSSIYA publishes an official list of the results of voting on the no-confidence motion. It is clear from the list that the largest contribution to the final vote was made by factions of the Communists, the Democratic Party, the Yabloko bloc, the Liberal Democrats, and the Agrarians. It is not without interest, however, that among the latter, Vice-Premier Aleksandr Zaveryukha was the only one to vote against the no-confidence motion.

TRUD points out that, as it seems to it, "the situation in Russia will not calm down after this meeting of the Lower House of Parliament."

KOMSOMOLSKAYA PRAVDA makes a forecast that "the President of Russia will, most likely, ignore the no-confidence motion of the State Duma and will not sack the government."

IZVESTIYA on the Chechenya problem.

The newspaper's correspondent in Stavropol Territory Nikolay Grichin writes with concern about an anti-Chechen hysteria being drummed up by the local press and authorities.

"Of course, it is much simpler to look for scapegoats among people with a different colour of hair and speaking a different language than give answers to questions that are uppermost in the minds of every resident of Stavropol Territory: How could a large armed group unimpededly ride through police checkpoints for 100 km and how does this square with the Governor's pronouncements that the Territory boundary was reliably protected?"

But there are different sentiments, too. Grichin quotes Cossack leader Voronkov in Budennovsk as saying that Cossacks there had previously strained relations with their fellow villagers - Avartsy, Dargintsy, and other Caucasians. But, on the day when Budennovsk was attacked, armed Cossacks came out to defend the village and saw with surprise that armed Caucasians were also among their ranks. They defended the village jointly.

Most newspapers, reporting the talks in Groznyy, limit themselves to reprinting news agencies' reports about but a slow but steady headway made by the negotiators towards peace.

A number of newspapers give due credit to General Lebed for the establishment of peace in the Dniester Region, commenting on his final resignation from the post of the Commander of the 14th army and his quitting military service.

IZVESTIYA carries an article by the newspaper's correspondent Viktor Filippov under the headline "Vologda millions are kept in New York" about the fate of a Russian analogue of the Nobel Foundation.

Prominent Vologda merchant Khristofor Ledentsov bequeathed his millions-worth fortune to be invested in the "Society for the promotion of advances in experimental sciences and their practical applications". The Society was established in 1909 and money invested in securities produced up to 200,000 roubles of interest annually — a huge sum in those days.

The money was used to build laboratories for experiments conducted by Tselkovskiy, Timiryazev, Zhukovskiy and Pavlov. In 1918, the resources of the fund were nationalised and the Society was dissolved. However, executors of the merchant's will managed to transfer part of the funds to America and entrusted them to a company which has been existing up to this date.

Nowadays two Vologda residents — an inventor and a journalist — work to secure that Ledentsov's capital again helps inventors in Russia.

Diplomat Cited on Churkin Visit to Balkans

LD2106214095 Moscow INTERFAX in English 1717 GMT 21 Jun 95

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, June 21 (INTERFAX) — The visit of Russian Ambassador to Belgium Vitaliy Churkin to Pale (the capital of the self-proclaimed Serb Republic which includes Bosnia and Herzegovina) does not mean that Russia has decided to ignore the prohibition of the UN Security Council concerning official contacts with Bosnian Serbs, a Russian diplomat told Interfax in Moscow today.

Well-informed sources told Interfax that Churkin had visited the Balkans on the instruction of the Russian Foreign Ministry but his trip had also been coordinated with the contact group on ex-Yugoslavia (which includes Russia, the U.S., Great Britain, France and Germany).

The diplomat said that a few months before Churkin the U.S. former president Jimmy Carter had visited Pale with an similar peacekeeping mission "as an individual." The diplomat said Churkin had also been stressing that his present trip across Yugoslavia was semi-official.

The diplomat said that during his visit to the Balkans Churkin had tried to explain to Bosnian Serbs that "time works against them."

The diplomat said Bosnian Muslims supported by the Islamic world and Western countries, had accumulated much force, including military force. He said this could be proved by the recent events around Sarajevo where Muslims had launched an offensive on the Serb positions in order to end the blockade of the Bosnian capital.

He confirmed that Churkin had proposed to Pale several measures on resolving the conflict and ending the international isolation of Bosnian Serbs. However, the diplomat declined to elaborate on the issue though he evaluated the reaction of Bosnian Serbs to the proposals as "promising."

Churkin himself said his mission proved that Moscow was concerned about the developments in Bosnia.

The diplomat said he doubted that the talks held by Churkin in Belgrade and Pale might bring serious results.

Before his appointment to Brussels Churkin worked as the Russian president's envoy for settlement in ex-Yugoslavia and a deputy foreign minister.

The diplomat said Moscow had sent Churkin "who still has important authority and influence regarding the republics of the former Yugoslavia" to help to resolve the Serb-Bosnian conflict.

Nevertheless, he said that the trip had been initially sentenced to failure "primarily because of the present tough position of Sarajevo."

The diplomat said international mediators, including Russia, were unlikely to be a success in their efforts to hold another talks between the Bosnian Muslim leader Aliya Izetbegovic and the Serb leader Radovan Karadzic.

West Urged To Accept Yeltsin Plan for Bosnia

MM2106130095 Moscow ROSSIYSKAYA GAZETA in Russian 21 Jun 95 First Edition p 6

[Commentary by Vladimir Kuznechevskiy: "'Double Standards' in Approaches to Yugoslav Crisis Altered G-7's Order of Business in Halifax"]

[FBIS Translated Text] As readers will know, on 15 June, ignoring all the UN Security Council's appeals for peace, Muslim forces launched a massive offensive against Serb positions in the environs of Sarajevo. And 15 Russian Blue Berets immediately found themselves in a critically dangerous position. Muslim subunits then seized a post guarded by Russian peacemakers, from which they opened fire from those positions on the Serb corps' headquarters in the area of Lukavica.

In connection with this incident the Russian Federation delegation to the United Nations demanded that the UN Security Council issue a statement on the need to free the Russian peacemakers who had effectively become hostages of government (Muslim) troops. However, the UN Security Council leadership decided against exacerbating relations with the Muslim top political leadership, effectively leaving the Russian soldiers without UN protection. Casualties were avoided only because the Serbs did not counter the Muslims' fire.

The Bosnian Muslims' large-scale offensive continued, and then, on 16 June, Russia called on the UN Security Council to issue an official statement on the need for an immediate halt to the Muslim offensive and for the conclusion of an agreement on a halt to military operations by all sides. To which the Security Council members stated that they needed time to study the Russian proposal and deferred examination of the question.

The Muslims took this UN Security Council stance as encouragement of their actions and stepped up the intensity of their offensive. As a result, the situation deteriorated to the point that the G-7 leaders assembled in Halifax were forced to revamp their scheduled agenda and adopt an urgent statement urging a halt to all hostilities in Bosnia.

On 19 June President Alija Izetbegovic of Bosnia-Herzegovina stated that the Muslims were prepared to stop their offensive operations if a real peace process were to begin. Had the statement from Halifax had its effect? Most probably there was a different cause.

UN observers in Bosnia came to the conclusion that the attacking side had run out of steam, while the Serbs, clearly out of political considerations, had decided to refrain from a counteroffensive. Estimates from the same source indicate that the Muslims lost around 250 servicemen killed and around 2,000 wounded during the offensive, while Serb casualties were very many fewer. The Muslims failed to win even tactical advantages.

By 20 June the situation around Sarajevo had finally stabilized.

However, the question still remains: What caused such irresolute behavior on the part of Western leaders faced with such blatant Muslim violation of the UN Security Council decisions on the inadmissibility of military operations in Bosnia by any party to the conflict? After all, in connection with the Russian peacemakers' seizure even the Western press has now started talking about the UN Security Council's so-called "double standards," whereby for the same actions one group (the Serbs) is punished by NATO planes dropping bombs while another group (the Muslims) is effectively encouraged to escalate the military conflict.

I think the HANNOVERISCHER ALLGEMEINE answered that question with absolute clarity. "From the political standpoint," the newspaper writes, "the offensive must cause panic among all the intermediaries. Only recently the whole world, after following the dramatic events concerning the Blue Beret hostages, was of a single opinion as to who was really to blame for the bloodshed in Bosnia. However, the new offensive threatens to destroy that unity." While London's INDEPENDENT writes bluntly that the West has begun to realize with disappointment that the Muslim offensive was designed to provoke the Serbs into perpetrating "some kind of sinister action, goading them, for example, into an offensive against civilians or UN servicemen," which would have given the West grounds to punish the Serbs again while giving the Muslims foreign assistance. It is difficult to add anything to that.

In these conditions the most well-considered stance is that of Russia, which has on the question of creating a multinational rapid-reaction force proposed modifications to the Anglo-French draft resolution, essentially designed to prevent any further resort to strong-arm methods in tackling the Bosnian conflict and the turning of the peacemaking forces into a party to the conflict. While at the G-7 meeting in Halifax the Russian president proposed an initiative to bring about a fundamental resolution of the Bosnian crisis. The crux of the initiative amounts to recognizing the Muslim-Croat Federation in Bosnia while simultaneously creating the conditions necessary for the unification of all the Serb lands into one federation.

The leaders of the major Western states have not yet proved ready to discuss such an approach to a definitive resolution of the Yugoslav crisis. French President Jacques Chirac, in particular, has even intemperately stated that this idea is unacceptable to the West. However, I think that when the first dust has settled the G-7 leaders are bound to realize that, if the West does really want to resolve the Yugoslav conflict, there is no way other than that proposed by the Russian president. Three years of unceasing war have already shown this in the most convincing fashion.

Kozyrev's 26-28 Jun Visit to Norway Postponed

LD2206083295 Moscow ITAR-TASS in English 0803 GMT 22 Jun 95

[By Igor Pshenichnikov]

[FBIS Transcribed Text] OSLO June 22 (ITAR-TASS) — Russian Foreign Minister Andrey Kozyrev's official visit to Norway, the visit which was to be made on June 26-28, has been postponed "for an indefinite time", well-informed diplomatic sources have told Itar-Tass.

The State Duma vote of no-confidence in the Russian government is believed to have served as the reason for the postponement of the visit. Official Norwegian authorities have not reacted in any way so far to the postponement of Kozyrev's visit.

The Russian Foreign Minister was to attend a session of the Russian-Norwegian Commission for economic, industrial, scientific and technical cooperation. The Commission's session has been postponed as well.

Besides, Kozyrev was to have talks with his Norwegian counterpart Bjorn Tore Godal on a number bilateral and international matters.

Article Urges Kozyrev Be Fired for NATO Policy

MK2106105095 Moscow MOSKOVSKAYA PRAVDA in Russian 21 Jun 95 p 9

[Report by Andranik Migranyan, editor-in-chief of MOYA GAZETA supplement to MOSKOVSKAYA

PRAVDA, under the "Chief Editor's Column" rubric: "While Kozyrev Practices U-Turns, the North-Atlantic Alliance Enlarges Its Zone of Responsibility"]

[FBIS Translated Text] It would be difficult to choose a more unpropitious moment for joining NATO's "Partnership for Peace" program. Russia signed an agreement with this organization 31 May, when the Yugoslav crisis reached its peak. Right after yet another bombardment of Serb positions by NATO aircraft. Again, without prior consultations with Russia. It happened on the eve of the G-7 meeting in Halifax, where Russia will be [as published] pressured to agree to NATO's expansion toward the borders of the former Soviet Union. How little the North Atlantic alliance heeds Russian views was confirmed by this organization's consistent line at all stages of the Yugoslav crisis. But what is being undertaken by this organization in the Balkans in connection with hostages from the UN peacekeeping troops in Bosnia goes beyond all conceivable limits. Enlarging — this time without asking anybody's permission — the zone of responsibility of NATO's ground troops from among the so- called "rapid reaction forces" and sending a part of these forces to Croatia without a relevant UN Security Council mandate amounts not only to yet another manifestly insulting fact of ignoring Russia, but demonstrates a clear desire on the part of the United States and NATO to bear down on both the Security Council and the United Nations in general and to appropriate the right to punish or pardon anyone at their own discretion. These actions by Western countries, and particularly the United States, reveal a clearly evident trend toward replacing the multinational contingent of UN peacekeeping forces by NATO troops equipped with all types of state-of-the-art weapons. It is assumed that the interethnic conflict can be resolved by force. Meanwhile, everybody is well aware of the fact that the Serb side has long been chosen by the Western countries as their unequivocal victim.

In light of the above, one cannot help being astonished by the toothlessness and ambiguity of the stand adopted by the Russian Foreign Ministry and, personally, Andrey Kozyrev, who has long won a reputation among Western partners as a politician whose entire aggressiveness is meant only for domestic consumption in Russia so as to pacify the opposition.

We cannot afford to have two foreign policy lines on one and the same question. On one hand, the president says a firm "No" to the enlargement of NATO; on the other, the Foreign Ministry and the minister of foreign affairs effectively consent to it. A deployment of NATO troops in the Balkans amounts to an actual expansion of the alliance and a transformation of this organization into the sole institution ensuring security in Europe, NATO-style. If our views are to be heeded, the Russian Foreign Ministry must clearly and unequivocally express its firm disagreement with NATO's attempt to usurp the functions of the United Nations and its Security Council. If the question of giving the NATO rapid reaction forces in the former Yugoslavia a Security Council mandate comes under discussion, Russia must use its right of veto.

Attempting somehow to correct the Foreign Ministry's Yugoslav policy that is damaging for Russia, in response to Russian Foreign Ministry Andrey Kozyrev's statement in London to the effect that Russian peacekeepers may join the NATO rapid reaction forces in the former Yugoslavia, the Russian Federation State Duma passed a decree calling on the Russian Foreign Ministry to use its right of veto should NATO countries try to obtain a Security Council mandate for their "rapid reaction forces." At the same time, the State Duma passed a resolution formulating the stance of Russian parliamentarians on the settlement of the Bosnian crisis. Such decisions by the Duma may turn out to be opportune and useful for the Russian president during the G-7 meeting in Halifax, where the problems of resolving the Bosnian crisis will feature among dominant themes of the political discussion.

And one last point. In light of our numerous foreign policy setbacks and our partners' dismissive attitude to the Russian foreign minister, the president will apparently have to make a painful, but absolutely imperative personnel decision. Russia deserves a foreign minister whose words will be taken seriously by our partners in the world.

Kozyrev Backs OSCE in European Security Model

MK2106120095 Moscow MOSKOVSKIYE NOVOSTI in Russian
No. 42 18-25 Jun 95 (Signed to Press 20 Jun) p 13

[Article by Foreign Minister Andrey Kozyrev in the "Opinion" column under the "World and Us" rubric: "Europe Needs a New Security Model. The Security of the Continent Begins With the Security of All Its Citizens"]

[FBIS Translated Text] The endless debates about NATO enlargement have diverted public attention from the Russian initiative on creating a model of general and comprehensive security for the Europe of the 21st century, on which diplomats from 53 member states of the Organization on Security and Cooperation in Europe [OSCE] are now working. Nonetheless this task is now taking up a major place in European politics. It was not accidental that in their joint statement the presidents of Russia and the United States singled out the elaboration of such a model as an important direction of all- European cooperation.

To Avert a New "Freezing"

In the nineties Europe has made a real dash to unity and therefore to stability and security. The ideas of democracy destroyed the Berlin walls of mutual mistrust between Europeans of East and West. The shift from the policy of confrontation to peaceful cooperation allowed Europe's historically largest structure of military confrontation to be dismantled. But the still wobbly trend toward the rapprochement of European states and peoples is already coming up against another one which moves countries of the continent to a new separation, to "cold peace." This alarming trend is based on mounting political extremism in Europe, arising from xenophobia and aggressive nationalism. This has manifested itself in particular in millions of votes cast for ultranationalists in elections in France and prior to this in Russia. This extremism or fear of it prompts many politicians toward radical recipes, devastating to Europe unity. The future of democracy in Russia seems problematic? Eastern Europe can be saved from the Russians by admitting it to NATO as soon as possible! The West is thinking about a possible enlargement of NATO? Partnership links are being severed and a bristling "Russian fortress" built!

A similar vicious circle emerged in Europe half a century ago. Its consequences are well known: the loss of enormous resources on the arms race and the ingraining of mutual prejudices in the consciousness of whole generations.

Even so I am convinced: The Europeans will manage to prevent yet another "political freezing" of the continent. To do this, they need a common strategy of security in Europe. Yet the problem is that no such strategy, or, to use the language of a UN study on European security problems, no "general action plan" has been created till now.

Principles of Security

Our proposal to develop a new security model is called upon to stimulate dialogue on the objectives, principles, and mechanisms of such a strategy. This Russian initiative was approved at the OSCE summit in Budapest, and work on such a model has already begun within the organization's framework. I am not laying claim to new recipes for addressing this complex challenge, which none of our partners, however, also seem to have. But the principles we should apply in working out a general approach are obvious even now.

The core of the new European security is the security of citizens. This point of departure compels a new look at the specific dangers confronting the peoples of Europe. Nonmilitary threats are visibly taking center stage: economic problems, international crime, and others. The more distinct these problems, the clearer the inability of the military-political structures inherited from the "Cold War" to rise to these threats. No rapid deployment forces — on the Rhine or the Vistula — will stop drug traffickers from carrying their poison from Afghanistan to Russia to Germany. No ABM systems will be able to curb the laundering of "dirty money" which has taken on pan-European proportions. No NATO staff games will frighten terrorists: Be they "chemists" from Aum Shinrikyo or fanatics from Islamic Jihad. The Europeans will be able to stop, let alone abolish, these new threats only by acting together, not contrary to each other.

Hence another principle: The unity of a democratic Europe means the undivided security of the European peoples. No state has the right to strengthen its security to the detriment of the security of others. Nobody must be isolated from decisions affecting the fate of the OSCE region.

Partnership in a new Europe should mean the complementarity of efforts by states and multilateral institutions in building common security. The OSCE and NATO, the European Union and the CIS, and the numerous regional organizations are not rivals or, moreover, not mutually exclusive entities of European politics but important factors in the formation of a really common system of security and cooperation. Such an approach will help each organization make its specific contribution to strengthening European peace and, which is also important, speed up their own transformation and adaptation to the realities of a new Europe.

Today it is trendy in NATO to discuss "how" and "why" the alliance is to be expanded. To these questions the Russian side proposed its own answer, whose essence lies not in dividing but in forming a common security in Europe.

How to create effective mechanisms for taking the interests of all OSCE member states into account? This can, in particular, be a system of binding consultations, co-participation in decisionmaking by regional organizations, including NATO. I stress: In opposing a hasty enlargement of the alliance, we do not deny the possibility and even benefit of developing partner relations between NATO and European states not affiliated with it. In developing such a system, a major role is to be played by promoting an effective partnership between NATO and Russia, which NATO itself recognizes as "a world, nuclear, and European power."

In which concrete forms should the principle of complementarity of democratic states of East and West be materialized? There are several options. One of them is a Euro-Atlantic or Eurasian cooperation charter.

How to build an optimal correlation of global regional and sub-regional approaches to addressing European problems? Or, speaking in practical terms, what can be the actual steps toward bringing closer together such processes as integration within the framework of the EU and the CIS, transformation of NATO, and strengthening the central role of the OSCE?

How to adapt the existing negotiating basis of military security and supplement it respective to a new Europe? This can, in particular, involve the working out of a new agreement, free from bloc orientation, say, an OSCE-2.

How to accelerate the economic development of Eastern Europe and at the same time create more favorable conditions for all-European development? One possible way is to implement projects aimed at creating the infrastructure of the European economy of the 21st century, such as building a high-capacity integrated power supply, telecommunications, and transport systems.

OSCE: A Big Agenda

An instrument of creating a new security model is to be the OSCE — Europe's largest organization with the most extensive mandate for action, simultaneously a transatlantic and Eurasian association of states.

The OSCE performance after Budapest shows that the organization is gradually gaining momentum. This is evidenced by, among other things, the increasing attention that this organization is giving to Central Europe and the Baltics, cooperation within the OSCE framework on the Chechen crisis, coordination of mandates on OSCE oversight of the implementation of the Russian-Latvian agreements on dismantling the radar station in Skrunda and on ensuring the rights of Russian military pensioners in Latvia, and the institution of co- chairmanship at the conference on Nagorno-Karabakh.

To make the OSCE a really effective all-European organization, however, it would be important to address several long-term tasks arising from the Budapest summit documents, primarily the creation of the organization's own base. This will allow the member states, including Russia, to make a greater practical contribution to OSCE activity in adjusting conflicts, in particular by making available peacekeeping force contingents. A foundation for this is already in place. The document "Consolidation of the OSCE," adopted in Budapest, is, in my view, a tentative outline charter or rules for the organization.

Clear-cut principles of OSCE peacemaking activity need to be worked out. The most important thing here is to avoid double standards in treating conflict situations in various parts of Europe.

OSCE activity should also be brought to a basically new level along at least two directions: in the Mediterranean and in the economic sphere.

The Mediterranean region so far is visibly lagging behind Europe in the creation of new security and cooperation structures. Meanwhile the mounting demographic, economic, and ecological problems threaten new conflicts and crises. They can be detonated by Islamic extremism, which is strengthening its position in a number of North African states. With this in mind, the OSCE could begin to work out a comprehensive program of economic and political cooperation of states in the region, with the participation of all other interested countries.

Another line of OSCE activity, which is also receiving low priority, is the promotion of all-European economic cooperation. It is necessitated not only by the actual economic interests of Russia and many other OSCE member states but also by peacekeeping needs. I support the opinion of Max van der Stuhl, OSCE high commissioner on ethnic minorities, who proposes to supplement the arsenal of OSCE preventive diplomacy with economic means of averting conflicts. To this end, it is necessary to intensify cooperation on the OSCE's "second basket."

Our proposal on working out a security model for Europe has already aroused an interested reaction from OSCE partners. Many of them justly stress the need to focus work on a model for seeking responses [nad modelyu poiska otvetov] to new, nonmilitary threats to European security. I also support the aspiration by our partners to embody the principle of undivided security into actual decisions.

The main work on the model still lies ahead. I hope that the spirit of the OSCE Final Act, adopted in Helsinki 20 year ago, and the idea of the commonality of the basic interests of all Europeans enshrined in it will help us fittingly to continue the cause of building a single Europe.

MFA Official Hails OSCE Regional Cooperation

954Q0218A Moscow DELOVOY MIR in Russian
10 Jun 95 p 7

[Report on comments by Pavel Smirnov by correspondent Vladimir Shelepin: "Why Do We Need This Forum?"]

[FBIS Translated Text] The annual economic forum of the Organization for Security and Cooperation in Europe (OSCE) completed its business on Friday in Prague.

Your correspondent had covered the two previous ones. Recalling that they had been of no great benefit, there was a desire to view the work of the present one from a cynical position: Why do we need this? It was this question that I put to Pavel Smirnov, head of the Russian delegation and Russian Federation Ministry of Foreign Affairs Economic Cooperation Department director.

Speaking of the forum's shortcomings, it should be borne in mind that this is a new venture. Any young organism has its weaknesses, but we are not talking about innate flaws. The organization has simply lacked experience. And the choice of concept also was determined by realities that are now a thing of the past. Two years ago, for example, the main emphasis was put on the problems of countries with a so-called transitional economy. We were criticized and given advice, serviceable for the most part but no more than that.

Today the situation is different. Although the present forum was the third, it was the first within the framework of the OSCE, which emerged as a result of the almost 20 years of the operation of the Conference on Security and Cooperation in Europe. The heads of state and government charged the new organization with the development of a model of security in the vast expanse from Vladivostok to Vancouver under conditions where the division of the world into opposed military-political blocs had become a thing of the past and where creative motifs had come to the fore. The economic and humanitarian aspects are becoming particularly relevant in the modern concept of security.

It was from this "social order," it may be said, that the representatives of the more than 50 members of the OSCE now assembled in Prague proceeded. The tendency of not being confined to a circle of senior figures of ministries and departments and of hearing as large a number of people as possible from the localities and from specialists, those involved specifically in production and trade, power engineering and transportation, telecommunications and finances, was revealed even more distinctly than before. Many such people attended, as we have seen

All-European and global cooperation and its prospects were examined here primarily through the prism of a strengthening of economic ties at the subregional level. Countries that adhere to political views which do not always coincide and which are at different levels and stages of their development are the participants in the regional cooperation forums. But they are all united by a desire to consolidate neighborliness. This is particularly pertinent where interbloc borders holding back economic interaction previously ran.

Today Russia is participating in subregional structures of the Black Sea, the Baltic, the Barents Sea, and the Euro-Arctic region countries. Projects that are very important for us are being realized or have been approved in all these subregions. A transport ring around the Black Sea with an outlet to trans-Europe arteries and also to the Near and Middle East, for example. And the completion of small sections of highway and railroad, say, would bring the Russian Northwest to Finland and, through the latter, to Europe.

A general shortcoming for the regional cooperation forums continues to be the inadequate enlistment in them of representatives of business, who are called upon to further the advancement of the interests of the local entrepreneurs. The creation in the Black Sea of a business council, which will give officials its recommendations and proposals, is the first swallow. We, together with the Americans, proposed the creation of such an association of private business on the scale of the whole of the OSCE, under the roof, that is, of an authoritative interstate association. People liked the idea....

The official Russian delegation worked actively at the forum on the promotion of our old idea concerning the creation of a regional free trade zone. The following just demands for Russia and its former "socialist camp" allies are gaining ever increasing understanding among our OSCE partners:

—the removal as quickly as possible of the discrimination against countries with a transitional economy in all spheres and the cancellation of all unjust legal documents of the times of the Cold War;

—the easier access of our goods to the world market in order that we ourselves might earn the funds for the reforms, not solicit loans;

—assistance to foreign investments in our countries in order to alleviate the difficulties and negative social consequences of the transitional period and accelerate the structural reorganization of the economy.

In P. Smirnov's opinion, the all-European process will enter the 21st century successfully if it is fed by the right major ideas at the right time. He gave as an example the drafting and signing by the majority of countries of Europe of the Energy Charter. It is no accident, I thought, that three persons in our delegation represent the gas business. My thoughts were confirmed by Lira Rozenova, economic adviser to the president of the Gazprom Russian stock company.

—According to experts' estimates, Europe will double the consumption of gas in the next 15 years. And two-thirds of its reserves are located in Russia. We are the world's biggest gas company, to which the state has entrusted the monopoly management of the immense resources in the interests of the entire country. But we are being prevented from earning money at home: Consumers from the CIS pay for only 49 percent of the supplies, prices are controlled, expenditure on the production and shipment of the gas is growing, and taxes are a burden. How can we avoid going into Europe here?

But, to be serious, we disliked the situation that existed until recent years, when we supplied gas overseas and earned for it money which barely covered expenses. On the territory of the recipients the price, with small investments in the distribution network, is rising sharply. The main revenue is eluding Gazprom and, consequently, Russia. This is unfair. We do not want to be simply suppliers of raw material on the European market but to take root on it in depth and to reach the end consumer. We need to have a sound knowledge of the laws and practices of this market and all the "rules of the game" for this. So our presence at this forum is entirely justified.

Many Russian and non-Russian delegates expressed satisfaction with the work of the present OSCE forum in conversation with your correspondent and in working groups and plenary sessions. It was said that the negative experience of the past had been beneficial in a sense. The interesting and productive discussion is over. The time has come to collate the proposals and to embody them in specific initiatives. Until next year in Prague.

Iran Nuclear Deal Details Not Yet Finalized

MM2206100895 Moscow IZVESTIYA in Russian 22 Jun 95 p 3

[Article by Boris Konovalov: "Maybe Iran Does Want To Develop a Nuclear Bomb. But It Will Hardly Be Able To Do So in the Foreseeable Future"]

[FBIS Translated Text] Tehran-Bushehr-Moscow — Political passions are continuing to rage around the contract to complete the nuclear power station in Iran.

Reza Amrollahi, vice president of the Islamic Republic of Iran, who kindly agreed to give me an interview in Tehran, expressed his own view on this problem:

"The West claims that Russian assistance could lead to the nuclear weapons being developed in Iran.

"We have no such plans. We are completely open to international monitoring and are ready to allow IAEA experts to visit any facility they indicate at any time. If the United States has any documents concerning intentions on our part to develop nuclear weapons let them present them to the IAEA so the international community can check them out."

The theoretical possibility of developing a bomb exists, of course, but no expert seriously believes that the material for it can be obtained from spent nuclear power station fuel. This is such a complex technology that Iran would have to spend astronomic amounts, and over decades. There is a second way — enriching natural uranium, particularly using centrifuges.

"When the question of completing the Bushehr nuclear power station was raised," V.V. Krotov, general director of the "Atomredmetzoloto" concern, told me, "the Iranian side asked us to study their fuel potential. Our geologists, mining engineers, and tech geologists went to Iran. The Iranians have two deposits, but the uranium content is very low and they would not be developed anywhere else in the world. They studied one of them in greater detail with Chinese experts. But it would require underground mining — necessitating the construction of a 300-meter deep mine, or rather 'minimine,' and it and small plant would be able to produce only 50 tonnes of uranium a year. The Bushehr nuclear power station alone needs three times that amount. For comparison it can be said that Russian plants have an annual capacity of at least 1,000 tonnes of uranium. We undertook to make them, or rather to modify their already existing design for, a mine and an experimental plant to separate uranium from 'raw' ore. The contract stipulated only design work; enrichment of the uranium was not planned....

"Admittedly it has to be noted that the Iranian side did express a wish to examine this question in the framework of a general agreement on the use of nuclear energy. But there was no contract, only a protocol of intent to conduct negotiations."

"Iran invested 5.6 billion German marks in the construction of the Bushehr nuclear power station in the seventies," station chief A. Manem told me. "This sum is much more impressive if you take inflation into account, and we of course have an interest in making the fullest possible use of the groundwork we have done in the past. Our experience of working with Russian experts convincingly showed us that their qualifications are extremely high. They are in a position to complete the construction of our nuclear power station, and this would be a firm foundation for good-neighborly relations between Iran and Russia...."

According to our experts, it would be much simpler in technical terms to build a new nuclear power station. The job facing Russia is unprecedented in world practice. Bushehr is a unique nuclear power station for numerous reasons. West German experts from an organization which is now part of the famous Siemens firm designed and in 1974 started to build two units at once, each with an enormous 1,200-megawatt capacity. Following the overthrow of the shah's regime, when commissioning of the first unit at the Bushehr nuclear power station was practically only a year and a half or two years away, the German experts left the country without leaving all the documentation with the Iranian side. Then the Iran-Iraq war started. The incomplete power station came under rocket attack.

Experts from the "Zarubezhatomenergstroy" All-Russia Production Association, which is headed by E.A. Akopyan, appeared in Bushehr in September 1994 and started to inspect the station.

The 1970's design no longer meets modern safety standards. A great deal of the equipment will have to be replaced. New groups of Russian Ministry of Atomic Energy experts are flying in every week. At times the number in Bushehr has gotten as high as 220. The summer temperature in Bushehr is plus 50 degrees in the shade. And there is the humidity.

"We were very worried about possible corrosion to the equipment and ferroconcrete structures," V.P. Zavarin, leader of the Russian group checking out the station, and A.M. Savochkin, who heads the "Atomenergoproyekt" Institute group, told me in Bushehr. "But the corrosion danger proved not to be very serious. The main problem is the lack of complete documentation."

I.S. Magal[illegible], overall leader of the group of Russian experts, considers that the inspection work and collection of data for further design work will be completed in June. Then only 50-60 of our experts will remain in Bushehr to supervise construction work.

The contract concluded by the "Zarubezhatomenergstroy" All-Russia Production Association and approved by Minister of Atomic energy V. Mikhaylov has not yet come into force. Many details on which the commercial aspect of the project depend have still not been finalized. But the main point is that this project has still to be examined by the Russian-American Gore-Chernomyrdin commission. But if the contract does come into force, 55 months later the Bushehr nuclear power station will be generating electricity.

Before leaving Bushehr I went to take another look at the building housing the second unit of the nuclear power station. A rocket launched by the enemy had penetrated an outside wall. There is an enormous gaping hole. Steel ferroconcrete rods protrude like crooked fingers. Bushehr is the first nuclear power station in history to have been bombed; thank God it was not operational. But what if it had been?

U.S.-DPRK Nuclear Deal 'Knockdown' for Russia

MM2206082995 Moscow PRAVDA in Russian 16 Jun 95 p 3

[Article by Vladilen Baykov: "North Korea Lost to Russia?"]

[FBIS Translated Text] As has already been reported in the press, agreement was reached between the DPRK and the United States at talks in the Malaysian capital of Kuala Lumpur on replacing North Korea's graphite-moderated nuclear reactors with light-water reactors. Let us explain for the uninitiated that Washington claims that the first type of reactor is potentially capable of producing weapons-grade plutonium and, consequently, could be used to produce a nuclear bomb, whereas the latter reactor rules out this possibility.

This agreement was preceded by a whole series of intensive negotiations, the first round of which was held back in June 1993. Pyongyang stubbornly defended its right to decide for itself what type of reactor it wants and who to buy it from. But it was ultimately forced to give way on virtually all points.

The DPRK and U.S. joint statement notes that the type of light- water reactor will be determined by an international consortium called the Korean Peninsula Energy Development Organization (KEDO), in which, incidentally, the leading role will be played by the United States. It has already made its choice — for a renewed reactor type based on a U.S. design and U.S. equipment. The United States will also be the DPRK's main partner in delivering the reactor on a "turnkey" basis. In this connection a delegation of U.S. experts will visit the DPRK in June, where they will carry out the necessary surveys to implement the project.

Thus, Pyongyang has preferred the reactors imposed on it by KEDO — and effectively Washington — to the Russian reactors which it had planned to acquire.

Certain observers are linking this metamorphosis in the North Korean position to Pavel Grachev's recent visit to Seoul. Through his statements about extensive military cooperation with South Korea and Moscow's imminent resolution of the issue of the fate of the old Soviet-North Korean friendship treaty of 1961, Russia's "valiant" defense minister — who is famed, to put it mildly, for his sometimes lightweight statements — unwittingly prompted the North Korean leaders to agree to the U.S. conditions.

You can judge for yourselves what the Russian side has lost as a result — the total value of the project is put at $4.5-7 billion. But even that is probably not the main thing — this strategic success for U.S. diplomacy has effectively removed Russia from the group of major players in the region. And, judging by everything, Radio Liberty notes, as a result of this knockdown Moscow will not be able to retrieve its once-enormous influence in the Korean Peninsula any time soon.

U.S. Said Blocking Russian Exports on Pretexts

MM2106132595 Moscow KRASNAYA ZVEZDA in Russian 21 Jun 95 p 3

["Rejoinder" by Gennadiy Obolenskiy: "Time To Display a Principled Approach"]

[FBIS Translated Text] In today's world international mass- destruction weapons nonproliferation regimes have become not only a means of strengthening security but also an element in the grand political game and a means of economic pressure. Russia today, as the heir of the Soviet Union, is a full-fledged party in practice to just one of these regimes — the nuclear nonproliferation regime. Russia is merely an applicant with regard to the other regimes, namely the missile technology control regime [MTCR], the dual- purpose technology export control regime — technologies which may be used for military purposes (the so-called post-COCOM [Coordinating Committee for Multilateral Export Controls] regime) — and the regime for the control of exports of chemical materials which could be used in the development of chemical weapons. Russia is not allowed on any pretext through the doors leading to equal rights and commitments in the trade in high-technology commodities and is doomed to acting as the supplier of raw materials for highly- developed countries.

During the Russian-U.S. summit in May U.S. President Bill Clinton once again gave assurances that the United States has an interest in involving Russia as soon as possible in developing the post-COCOM regime, which is to replace the notorious COCOM, disbanded back in March 1994. However, until a new system is created the West is using the "old" rules, i.e. rules whereby Russia occupies the position of an outcast. Obviously some people like that situation, since right now there are no practical moves to include Russian experts in shaping the new, post-COCOM system.

The same actions or, to be more correct, inaction can be discerned with regard to our country's membership of the MTCR. In September 1993 Russia signed a Memorandum of Understanding with the United States with regard to missile exports and pledged to comply with all the provisions of this international regime. And the United States undertook to facilitate Russia's admission to the MTCR. Almost two years have elapsed now, and Russia is carrying out all its pledges but has none of the rights of an MTCR member. What is more, 24 countries party to this regime (there are 25 in total) have officially confirmed their desire to see Russia join this club of industrially developed states. The United States is blocking Russia's admission to the MTCR on far-fetched, constantly-changing pretexts.

During the recent parliamentary hearings at the Russian Federation State Duma it was noted that the United States is pursuing a tough line when it comes to curbing exports of high- technology goods from Russia both to the United States and to third countries. It was also underlined that Russia must display a principled approach on this issue and above all abide by the norms of international law and its own national interests and resist U.S. attempts to interfere in Russia's cooperation with other countries.

We can only wait for this principled approach to materialize. Perhaps it will do so during V.S. Chernomyrdin's meeting with Al Gore scheduled for later this month?

Government Opposed to Taiwan Entering UN

LD2206101795 Moscow ITAR-TASS in English 0945 GMT 22 Jun 95

[By Andrey Kirillov]

[FBIS Transcribed Text] MOSCOW, June 22 (ITAR-TASS) — Proceeding from the existence of only one China with the government in Beijing, the Russian Foreign Ministry opposes the idea of Taiwan's entering the United Nations, Yevgeniy Afanasyev, head of the Russian Foreign Ministry's First Department of Asia, told ITAR-TASS Thursday.

Russia held a scientific seminar at the Institute of Oriental Studies last Wednesday to discuss this issue. Some of the Russian participants of the seminar came out in favour of admitting Taiwan declaring itself the Chinese republic to the United Nations as an "associated member", "observer" or to allow it to participate in the work of U.N. specialised boards.

"The international community should not just admit the political and economic progress in the Chinese republic but also to recognise the fact of its existence. The Chinese republic seeks to be a member of the international community and has means to realise the aspiration," Lo Lung, head of the Moscow-based representative office of the Moscow-Taipei coordinating commission on economic and cultural cooperation, told the seminar.

"We proceed from the fact that there is only one China — the Chinese People's Republic with the government in Beijing," Afanasyev said, commenting on the seminar.

"We have never intended to support any participation of Taiwan in the United Nations," the diplomat noted.

Afanasyev stressed that the Russian Foreign ministry had no connection with organising the seminar. However, participants of the meeting have the right to discuss any issues, he added.

The trade turnover between Russia and Taiwan exceeded 1.2 billion USD last year. A representative office of the Moscow-Taipei coordinating commission on economic and cultural cooperation is due to open in Taipei in the near future.

Defense Ministry on Naval Mission in Georgia

LD2106135595 Moscow ITAR-TASS in English 1136 GMT 21 Jun 95

[By Sergey Ostanin]

[FBIS Transcribed Text] Moscow, June 21 (ITAR-TASS) — The main task of a detachment of Russian warships, which is currently off Georgia's coast, is to restore its navigational safety, ITAR-TASS learned in the information and press department of the Russian defence ministry today.

The large anti-submarine ship "Kerch" and the large landing ship "Konstantin Olshanski" under the flag of commander of the Black sea fleet Admiral Eduard Baltin are on combat patrol duty in the eastern part of the Black sea.

According to an assessment of the department of press and information of the Russian defence ministry, the ships are not given the task of preventing the possibility of any sabotage by Chechen militants at sea and in the coastal region. There are 30 marines in the detachment, who are ensuring security of work to restore damaged navigational equipment, lighthouses and other facilities.

Political Issues

Spokesman: Yeltsin, Chernomyrdin Hold Similar Views

LD2106142195 Moscow INTERFAX in English 1328 GMT 21 Jun 95

[FBIS Transcribed Text] MOSCOW, June 21 (INTERFAX) - President Yeltsin has no reason not to have confidence in the government, the president's press secretary, Sergey Medvedev, told INTERFAX in an exclusive interview, in which he commented on the president's position on the no-confidence vote passed on the government by the State Duma.

He expressed regret that "some politicians use the Budennovsk tragedy as a trump card in a big political game."

Medvedev said that at one time the president had initiated Chernomyrdin's appointment to the post of prime minister.

"The president and the prime minister share the same position on all issues and always act together. All those who are talking about disagreements between them are either incompetent, or doing so seeking to provoke," he said.

"Undoubtedly, Yeltsin can see weak points in the government's work and is aware that not all figures in the cabinet are up to par. But this does not change his attitude to the government as a whole," said Medvedev.

Speaking about the State Duma decision, taken in the wake of the Budennovsk tragedy, Medvedev said that Russia differed from Western countries in that "unfortunately, a tragedy disunites, rather than uniting people in this country."

Medvedev on Yeltsin, Lack of Confidence in Government

LD2106163195 Moscow Russian Public Television First Channel Network in Russian 1400 GMT 21 Jun 95

["Exclusive interview" with Sergey Medvedev, Russian President Boris Yeltsin's press secretary, by an unidentified correspondent on 21 June; from the Vremya program — live or recorded]

[FBIS Translated Text] [video shows Medvedev seated at desk opposite interviewer] [Correspondent] What assessment does the president give to the Duma deputies' wish to dismiss Chernomyrdin's government?

[Medvedev] I do not think that the president has any reasons at the moment to lack confidence in the government. You may remember that the president appointed Viktor Stepanovich to the post of head of cabinet and since that time, the president and prime minister have worked together, especially during their most difficult moments. Those who are now claiming that there are two policies, two strategies, that of the prime minister and that of the president, are either gravely mistaken, simply through their ignorance, or they are conducting a directed propaganda campaign, provocation.

The president sees the weak points in the government's actions and sees that not all of its members are good enough, but he is currently concerned about other things. He is worried that the tragedy in Budennovsk has become a trump card for some politicians, for deputies, a trump card in the power struggle.

You remember the terrorist act committed by Aum Shinriyko in Tokyo, the hijacking of the aircraft with over 350 hostages on board...

[Correspondent, interrupting] In Tokyo again.

[Medvedev, continues] The explosion in Oklahoma. These did not give the opposition grounds for demanding the resignation of the Japanese Government or the resignation of Bill Clinton. In Russia, misfortune does not, unfortunately, unite; it divides. But, thank goodness, it is the politicians that it divides. People, the citizens of Russia, understand the situation better, I think. When some people are wearing one another out in debates, others are simply working to bring the situation back to normal, especially in Budennovsk.

Boris Nikolayevich [Yeltsin] held a detailed conversation today with Moscow Mayor Yuriy Luzhkov and instructed him to fly out to Budennovsk tomorrow. I would like to state that the Russian capital was the first to respond to the misfortune and will be the first to engage in restoring what has been destroyed.

Yeltsin Prepared To Continue To Work With Present Cabinet

LD2106222395 Moscow INTERFAX in English 1856 GMT 21 Jun 95

[FBIS Transcribed Text] MOSCOW, June 21 (INTERFAX) — President Yeltsin is prepared to continue working with the present Cabinet, Russian presidential aide Viktor Ilyushin told INTERFAX Wednesday [21 June]. He said that this is evident from the fact that Yeltsin will speak Thursday at the government meeting and deliver a budget message for next year.

Ilyushin added that after Yeltsin receives the lower house's official decision on confidence in the government he will declare his decision. "In any case, the

President will act in full compliance with the Russian Constitution," he said.

Ilyushin said that "the President followed attentively what happened in the State Duma Wednesday because the question about the work of the Russian government is always one of the most important for him."

"Naturally, the President can also offer emotional assessments on what is happening. However, his reaction to the no-confidence vote in the Cabinet headed by Viktor Chernomyrdin, is, first of all, based on the interests of the country and Russian society," said Ilyushin.

Chernomyrdin Assesses No-Confidence Vote

LD2106142395 Moscow Radio Rossii Network in Russian 1300 GMT 21 Jun 95

[FBIS Translated Text] Viktor Chernomyrdin today spoke on the phone with Federal Assembly deputies and their representatives in the government delegation at the talks on a peaceful settlement in Chechnya. Assessing the vote in the Duma today [on no-confidence in the government], he told journalists the following:

[Begin Chernomyrdin recording] I have noticed nothing new in it for myself. Everything is the same. As for Glazyev, he did not say anything new. Unfortunately, this is not right and that is not right, but no one said how things should be done or what should be proposed. No one, absolutely no one today, was actually concerned over the country's future. I am under the impression that some people are rejoicing that they have got something to do, that they went to Budennovsk, went to Groznyy. I did not expect any plaudits there, no. We need to be constructive. Let's think together. Elections are due this year. [end recording]

The prime minister also answered a question on the punishment of those guilty in the Budennovsk tragedy:

[Begin Chernomyrdin recording] In my view, no one will be able to continue to enjoy freedom. A criminal case has been instigated. Retribution will come. No one has forgiven anyone for anything and no one is going to forgive anyone. It was important to rescue people in the situation, which was defused. It was bad and difficult, and one should look into this, and we will look into this. [end recording]

Chernomyrdin Denies Preparing Resignation Letter

LD2106191595 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 21 Jun 95

[FBIS Translated Excerpt] The Russian parliaments's lower chamber supported a motion of no confidence in the government led by Prime Minister Viktor Chernomyrdin. [passage omitted]

Russian Prime Minister Viktor Chernomyrdin categorically denied allegations of having prepared a resignation letter.

[Begin Chernomyrdin recording] There is no resignation letter and I am not going to write one under any circumstances. I don't think that this is what the country needs. If my resignation would affect... [pauses] or change everything completely — I would resign immediately and with no hesitation. [end recording] [passage omitted]

Yeltsin Might Reshuffle 'Power' Ministers

LD2206075095 Moscow ITAR-TASS in English 0722 GMT 22 Jun 95

[FBIS Transcribed Text] MOSCOW June 22 (ITAR-TASS) President Boris Yeltsin predicted on Thursday that some of the so-called "power" ministers, i.e. of the Security, Interior, Defence and Border service, may be reshuffled following the terrorist act staged by Chechen militants in Budennovsk.

"Evidently, we shall have to adopt decisions on certain heads of ministries and departments" at a Security Council meeting next week, the President told a government meeting after giving a preliminary analysis of the Budennovsk tragedy, but did not name the ministers concretely.

In his speech Yeltsin mostly blamed the Security Service headed by Sergey Stepashin and the Border service of Andrey Nikolayev for the failure to avert the Budennovsk tragedy. The Interior and Defence ministries of Viktor Yerin and Pavel Grachev were also mentioned.

"The Security service, the Interior ministry, the military intelligence, the intelligence of the Frontier troops did not provide data about the plans and plots of the leadership of (Chechen separatist leader Dzhokhar) Dudayev regarding terrorist activities. The border of Chechnya with neighbouring subjects of the Russian Federation was weakened. The appearance of terrorists (in Budennovsk) was completely unexpected for everybody", Yeltsin said.

"The Defence, Interior ministries, the Border service poorly implemented decisions on closing the border of Chechnya", the President said and described the tragedy in Budennovsk as "unprecedented bloody terror".

The President said that no concessions should be made to terrorists, but did not qualify Prime minister Viktor Chernomyrdin's talks with terrorists as a concession.

"The fact of negotiatioons was not a political concession to terrorists", he said adding that Russia has launched peace talks with Chechen rebels before Chechen commander Shamil Basayev seized Budennovsk and demanded peace talks in Chechnya.

"Already in May talks with Dudayev representatives began under the OSCE auspices. A strict line at political settlement of the Chechen problem is the strategic position of federal authorities", the President said.

Yeltsin 'Hinted' at Dissolution of State Duma

LD2206071695 Moscow ITAR-TASS in English 0705 GMT 22 Jun 95

[FBIS Transcribed Text] MOSCOW June 22 (ITAR-TASS) - President Boris Yeltsin said Thursday he would not sack the government after the vote of no confidence by the State Duma and hinted he may dissolve the lower house if it votes no confidence for the second time.

"I cannot agree with such a decision of the State Duma. On the basis of my constitutional powers I state that I trust the government of Viktor Stepanovich Chernomyrdin. We shall work together", the President told a government meeting Thursday adding that he had already forwarded his decision to the lower house.

"I do not idealise the current composition of the government. I see and know its drawbacks. But I cannot and will not allow that the central part of the executive authority of the Russian state be weakened at such a moment", Yeltsin said.

The President hinted he would rather dissolve the State Duma than dismiss the government.

"If they continue to insist (on no confidence), there are other constitutional procedures to allow the government to continue working in its current composition until elections to the State Duma", Yeltsin said.

After the first no confidence vote Yeltsin could either dismiss the government or ignore the Duma vote. The lower house now has three months to reconsider its deicsion. If it votes no confidence in the government again, the President will have either to dismiss the government or dissolve the Duma and announce new elections.

Yeltsin's press service said Thursday that the President had officially informed State Duma speaker Ivan Rybkin about the rejection of the no confidence vote.

"The President of Russia believes that the resignation of the government at the present time will destabilise the political situation, will cause negative tendencies in economy, will complicate the crime situation", the press service said.

After Yeltsin's speech at the government meeting Chernomyrdin thanked the President for support.

Government Initiates Confidence Vote

LD2206083095 Moscow ITAR-TASS in English 0815 GMT 22 Jun 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW June 22 (ITAR-TASS) - The Russian government unanimously decided Thursday to make the State Duma again consider the issue of no confidence in it.

The decision was adopted at a closed-door meeting of the government after President Boris Yeltsin hinted he would rather dissolve the Duma than dismiss the government.

"If they (Duma) continue to insist (on no confidence), there are other constitutional procedures to allow the government to continue working in its current composition until elections to the State Duma", Yeltsin said Thursday.

After the Wednesday no confidence vote by the Duma and the Thursday rejection of its decision by the President, the Duma had three months to return to the vote. However, it could as well drop it altogether.

Now after the government raised the confidence issue itself, the Duma will have to consider it anyway.

In case it votes no confidence in the government for the second time, the President will have seven days to either dismiss the cabinet or dissolve the lower house and announce new elections.

Yeltsin Attends 'Closed Conference'

LD2206090295 Moscow Mayak Radio Network in Russian 0830 GMT 22 Jun 95

[FBIS Translated Text] In accordance with the Constitution, Viktor Chernomyrdin's government today put the issue of confidence to the State Duma. This decision was unanimously adopted by all the members of the Cabinet of Ministers at a closed session of the Russian Government, which has just taken place.

INTERFAX has learned that after an extended session of the government, President Boris Yeltsin stayed behind at the Council of Ministers building in order to hold a closed conference [v uzkom krugu]. According to the information from well-informed sources, Prime Minister Viktor Chernomyrdin, Oleg Soskovets and Anatoliy Chubays, first deputy prime ministers, a number of other key government figures, and also presidential aides are taking part in the conference. The power ministers are not taking part in the conference.

Government Initiative Detailed

LD2206100695 Moscow ITAR-TASS in English 0939 GMT 22 Jun 95

[FBIS Transcribed Text] MOSCOW, June 22 (ITAR-TASS) - In accordance with Part 4 of Article 177 of the Constitution of the Russian federation, the government of Viktor Chernomyrdin raised the confidence issue with the State Duma on Thursday.

A decision to this effect was unanimously adopted by all Cabinet members at the just-concluded closed-door meeting of the Russian government.

The Premier's statement, addressed to the Duma, points out that "uncertaintly about the position of the government of Russia has arisen in view of the State Duma's no-confidence vote, with which the President did not agree".

On Wednesday, the Lower House of the Russian parliament, at its plenary meeting, passed a no-confidence motion which was carried by 241 votes to 72 with 20 abstentions.

A prolonged, up to three months, uncertain position of the government, the Premier believes, "would lead to mounting instability of the socio-economic position of the country, would disrupt cooperation between the Executive and Legislative branches of power and thereby destabilise the political situation, aggravate the situation in the North Caucasus, and complicate a resolution of the Chechnya crisis".

The government emphasised that "a real threat to a steady functioning of the Executive branch of power has developed in Russia now. It is in the interests of the entire country to overcome the current political crisis as soon as possible".

The raising of the confidence issue by the government itself is an independent Constitutional ground for a resolution of the parliament-government crisis and is subject to a separate and extraordinary consideration at a State Duma meeting.

Yeltsin, Chernomyrdin Oppose Duma Changes to Constitution

LD2206094295 Moscow ITAR-TASS World Service in Russian 0918 GMT 22 Jun 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 22 Jun — "I am categorically against" the State Duma's intention to introduce amendments to the Constitution, which would restrict government's activities, President Boris Yeltsin stated today, answering journalists' questions in the Government House after the extended sitting of the Cabinet of Ministers, in which he took part. "The Duma is not supposed to do this, for this a parliamentary assembly needs to convened," the president noted.

Viktor Chernomyrdin, who also took part in the conversation with journalists, added that if this path is followed, then "all that will be left of the Constitution will be amendments, and we have already been living not according to a Constitution, but according to amendments."

Yeltsin Announces 29 Jun Security Council Session

LD2206094495 Moscow ITAR-TASS in English 0928 GMT 22 Jun 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW June 22 (ITAR-TASS) - A meeting of the Security Council of Russia, which will discuss developments in Budennovsk, will be held on June 29, President Yeltsin said, responding to questions of journalists.

"We keep in touch with secretary of the Security Council Oleg Lobov, who went to Budennovsk as head of a special commission. He is accumulating material, and the discussion is going to be very heated and very serious," the President said.

Repeating that the date of the meeting has already been fixed — June 29, 11:00 — Yeltsin told journalists: "You should come on that day, as many as possible."

Responding to a question about possible personnel changes, following the tragedy in Budennovsk, the President said: "An analysis should be done, but I can say that there will be some changes, not many, but some."

He was asked whether he meant ministers or officials on lower levels, to which he said: "Both."

Yeltsin Announces Day of Mourning for Budennovsk Victims

LD2106183895 Moscow ITAR-TASS in English 1814 GMT 21 Jun 95

[FBIS Transcribed Text] MOSCOW, June 21 (ITAR-TASS) — Russian President Boris Yeltsin announced June 22 a day of nationwide mourning for the victims of the Budennovsk terrorist act.

The decree transmitted to ITAR-TASS on Wednesday [21 June] reads as follows:

"Expressing grief for the citizens of the Russian Federation who died as a result of the June 14-20 terrorist act in Budennovsk, Stavropol region, and condolences to their next of kin, I hereby decree:

"1. To announce June 22, 1995 a day of mourning in the Russian Federation.

"2. To lower the state flags of the Russian Federation on the day of mourning.

"3. To recommend cultural institutions and television and radio companies to cancel entertaining events and programs scheduled for June 22, 1995.

"4. The decree comes into effect as of the day of signing."

Chernomyrdin on 'Retribution' for Budennovsk

LD2106225695 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 21 Jun 95

[Video report by unidentified correspondent on "improvised briefing" by Prime Minister Viktor Chernomyrdin in the prime minister's office on 21 June; passages within quotation marks are recorded — from the "Vremya" newscast]

[FBIS Transcribed Text] [Correspondent] We are now in the office of Prime Minister Chernomyrdin. It was from here that long days were spent in talks with Budennovsk. So that there is no discussion today about whether things could have been done differently during the freeing of the hostages, one thing is clear, the stance taken by the prime minister was correct. Human lives were saved. He held talks with the bandits, not leaving his telephone day or night. For some people this was an insult to the national and state honor of Russia. But he, Chernomyrdin, won because he saved human lives. He spoke on the telephone today with State Duma Deputy Viktor Borodin, one of the the former hostages who is currently in Stavropol Territory.

[Chernomyrdin, speaking on telephone] "Many thanks to you for the courage which you showed and to your colleagues and comrades. The whole country was watching, the whole country were concerned for you and about all of the events. Pass on our sincere thanks to everyone, not just from me but all those here, representatives of the mass media are here. Many thanks and gratitude from everyone and pass this on to everyone who took part. They really are courageous people, going into the lair itself without fear and without trembling, no one needed to be persuaded."

[Correspondent] Nevertheless, many people are annoyed today because the criminals are still free.

[Chernomyrdin] "This is what I think: no one will remain free. First of all, criminal proceedings have been instigated and no criminal will be left. There will be retribution of the harshest kind. There will be retribution. They will all get what they deserve. So no one has forgiven anything, no one is intending to forgive anyone. In the situation which developed, people needed to be brought out of calamity and this was bad, this was difficult, we need to look into this and we will look into it. The president has set up a commission — it is, incidentally, already sitting in Budennovsk today."

[Correspondent] At the improvised briefing, journalists did not of course leave out the question of the current session of the State Duma.

[Chernomyrdin] "I was told yesterday evening that there would be 240 votes in favor of the government resigning. I was not convinced that this would happen. So in any case we went, all of the government, all of the deputy ministers, to listen. There should be more constructive discussion now, about what needs to be done. Events are developing very quickly. It is not now mostly economic matters, the economy. Everything is now clear in the economy, things are developing as planned and as we set it out in our program for this year. There are positive results and there will be postive results if there is no shake-up. We now need to concentrate more on the political situation, especially the recent events which took place in Budennovsk, the events which are taking place in Chechnya now. These are events which are of concern, of course. There is no need for people to stir things up, to indulge in reproaches, they should all concentrate on dealing with these problems, including the problems in Chechnya.

"That is what is needed. That is what I was hoping for when I went along this morning to the State Duma session. I heard nothing new there, however. It was the same old thing with people saying this is not right and that is not right, but no one told me how things should be done, what needs to be done, and what is being proposed. They are proposing that the government be changed. If Chernomyrdin is now hampering things and if Chernomyrdin is holding things back, I am ready to go, if this will change anything and anyone knows what to change and how to do it. Unfortunately, this is not the case, and this was absolutely not the point today. No one was worried in the least today about the fate of the country. One has the impression that certain people are waiting for something to happen and are pleased to be involved and to have come here, and have been to Budennovsk and to Groznyy. They need to be involved, but they are not concerned about the fate of the country. I said right away that we need to be constructive. Let us think and act together. Elections are due to take place in December this year. The president today signed the law on elections to the State Duma. What more is needed now?" [video shows Chernomyrdin at his desk in his office, speaking on telephone, scenes from Budennovsk, Chernomyrdin talking to journalists]

Chernomyrdin Calls For Investigation of Budennovsk Crisis

LD2206105995 Moscow ITAR-TASS World Service in Russian 0916 GMT 22 Jun 95

[FBIS Translated Text] Moscow, 22 Jun — "Bandits guilty of the death and suffering of the people in Budennovsk will not escape retribution," premier Viktor Chernomyrdin stated today, speaking at the extended sitting of the Russian government. The head of the government confirmed that all of them are regarded as especially dangerous criminals and must face justice. The government will be doing everything possible for this, he said.

The head of the government stressed that at the peace talks on a settlement in Chechnya, held in Groznyy, "we have already demanded that all the participants in the attack on Budennovsk be handed over." He confirmed that at the first round of talks, which ended late last night, a document was signed in which the Chechen side denounced the terror in Budennovsk and undertook to hand over all the terrorists, including their ringleader Shamil Basayev.

Viktor Chernomyrdin stressed that it is necessary to investigate the reasons for what happened taking into account the fact that "we had been warned" about such a development of events, "Dudayev's leaders brazenly spoke about it". "It is impermissible not to take measures," the head of government stated. He once again drew the attention of the leaders of the power structures and all those who should bear responsibility for what happened.

Yeltsin Emphasizes 'Peaceful Solution' in Chechnya

LD2206074295 Moscow ITAR-TASS in English 0731 GMT 22 Jun 95

[FBIS Transcribed Text] MOSCOW June 22 (ITAR-TASS) - President Boris Yeltsin admitted Thursday that Moscow put too much emphasis on the military solution of the Chechen crisis and made it clear that federal authorities would now focus on a peaceful solution of the conflict.

"A strict line at political settlement of the Chechen problem is the strategic position of federal authorities", the President told a government meeting.

"The process of the political settlement of the Chechen crisis has clearly been too much delayed. We lacked political will and flexibility. The possibility of compromises was not allowed. People at the talks relied more on power methods of settling the conflict", the President said.

Chernomyrdin Favors Peaceful Resolution of Chechnya Conflict

LD2106141295 Moscow ITAR-TASS in English 1328 GMT 21 Jun 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, June 21 (ITAR-TASS) - The situation in Chechnya should develop peacefully, Russian Prime Minister Viktor Chernomyrdin said on Wednesday.

Chernomyrdin told Russian officials in Budennovsk and Groznyy by telephone that "I will not allow the process go uncontrolled."

People are tired of the chaos and confusion in that region and the majority of Chechens want peace, he told Duma deputy Viktor Borodin, who was one of the hostages accompanying the Chechen terrorists to Chechnya, and Arkadiy Volskiy, who is taking part in the Chechnya peace talks now underway in Groznyy.

"The most important thing now is not to stop the talks. Keep me informed on all issues. I will watch (the situation) and take part (in the settlement process)," he told Volskiy.

Asked about the role being played in the peace talks by Sandor Mesaros, a representative of the Organisation for Security and Cooperation in Europe (OSCE) in Chechnya, the premier noted that "the talks should be conducted by federal bodies together with the government of Chechnya. The OSCE is attending them as an observer."

Volskiy told Chernomyrdin that the Russian delegation to the talks demanded that the Chechen side extradite Shamil Basayev, the leader of the terrorists who seized the southern Russian town of Budennovsk last week, as a criminal.

"Everything should be done in accordance with the Constitution, laws and regulations. Our major task is to stop the conflict," he said.

Yegorov To Head Government Commission on Budennovsk

MM2206104195 Moscow ROSSIYSKAYA GAZETA in Russian 22 Jun 95 First Edition p 1

[Russian Federation Government 19 June 1995 Decree No. 580 "On Government Commission To Investigate Circumstances Connected With the Penetration of Illegal Armed Formations Into the City of Budennovsk, Stavropol Kray, and Their Commission of Acts of Terrorism There"]

[FBIS Translated Text] To investigate the circumstances connected with the penetration of illegal armed formations into the city of Budennovsk, Stavropol Kray, and their commission of acts of terrorism, the Russian Federation Government decrees:

1. That a government commission be formed under the leadership of N.D. Yegorov, deputy chairman of the Russian Federation Government.

2. That N.D. Yegorov determine within three days the membership of the government commission recruiting from the ranks of leaders of the Russian Federation General Prosecutor's Office, the Russian Federation Federal Security Service, the Russian Federation Internal Affairs Ministry, the Russian Federation Defense Ministry, the Russian Federation Federal Border Service, the Russian Federation State Customs Committee, and other organizations involved.,

3. That on the basis of the findings of the government commission's investigation proposals be submitted aimed at taking immediate, coordinated, and effective steps to prevent and resolutely intercept acts of terrorism and other manifestations of extremism and to ensure the reliable guard of establishments posing a particular danger and those of special importance, appropriate public order, and citizens' safety.

[signed] V. Chernomyrdin, chairman of the Russian Federation Government.

Yeltsin Submits START-II Treaty to Duma for Ratification

LD2106151095 Moscow ITAR-TASS World Service in Russian 1344 GMT 21 Jun 95

[FBIS Translated Text] Moscow, 21 Jun (ITAR-TASS) — Russian President Boris Yeltsin submitted the treaty between the Russian Federation and the United States on the further reduction and limitation of strategic offensive weapons (START-II), which was signed in Moscow on 3 January 1995, to the State Duma for ratification. This is said in a report from the Russian president's press service which was received by ITAR-TASS today.

Yeltsin To Present Budget Message to Duma

LD2206061195 Moscow ITAR-TASS in English 0602 GMT 22 Jun 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW June 22 (ITAR-TASS) — President Boris Yeltsin is to present a budgetary message - basic principles for Russia's budgetary policy for 1996 - at an enlarged meeting of the Russian government on Thursday.

"The message establishes a new political tradition in Russia and promotes a fuller realisation of the Constitutional powers of the Head of State," Aleksandr Livshits, Assistant to the President on Economic Affairs, has told ITAR-TASS.

Livshits believes that during his speech the President "is likely to raise questions about the pluses and minuses of the 1995 budget and budget performance, including non-targeted uses of budget resources."

Livshits, who was directly involved in the preparation of the text of today's speech of the President, pointed out, touching upon the contents of the speech, that "it is not ruled out that the President will explicitly set priorities concerning 1996 budget expenditure and determine budget limitations, within the framework of which urgent problems should be decided upon".

The Presidential aide said Yeltsin may also formulate "proposals on a taxation reform and the stock-taking of State spending with a view to reducing it". In short, Livshits emphasised, "the government will get a Presidential request for a 1996 budget".

Prime Minister Viktor Chernomyrdin, in response to a question , told ITAR-TASS in the Government House on Wednesday that "the work on next year's budget has been practically completed and in July we shall initiate a 1996 Budget Bill in the State Duma".

At the same time, one can expect that the "budget message" will not be the only subject of Yeltsin's remarks at the government meeting today. The remarks are almost certain to deal also with the motion of no-confidence in the Chernomyrdin Cabinet, passed by the State Duma on Wednesday.

Presidential Press Secretary Sergey Medvedev also told journalists on Wednesday that "Boris Yeltsin has no grounds not to trust the government". Livshits emphasised in an ITAR-TASS interview that "the very fact of Boris Yeltsin's arrival in the Government House demonstartes the President's attitude to the State Duma's no-confidence vote".

It is known that Article 117 of the Constitution of Russia allows the Head of State to ignore the first no-confidence motion. At the same time in the event of a repeated passage of a no-confidence motion three months after the first one, the President will have to chose: either to sack the Cabinet or dissolve the Lower House of the Federaal Assembly (parliament).

Yeltsin Meets With Financial, Industrial Leaders

LD2106123995 Moscow ITAR-TASS World Service in Russian 0903 GMT 21 Jun 95

[FBIS Translated Text] Moscow, 21 Jun (ITAR-TASS) — In the Kremlin today Russian President Boris Yeltsin met with leaders of financial and industrial groups from various regions of the country, ITAR-TASS learned from the head of state's press service.

The president highly assessed the activity of those financial and industrial groups which have been able to stop the industrial slump and which are expanding investments and exports. The issues of improving the sub-legislative documentation, the role of banks in developing Russian multi profile corporations, and the prospects for competing in the world market were discussed.

The president issued relevant instructions on the results of the meeting, the press service report says.

Military Issues

Grachev Calls For Centralization of Military Forces

LD2106114395 Moscow INTERFAX in English 0942 GMT 21 Jun 95

[FBIS Transcribed Text] MOSCOW, June 21 (INTERFAX) — Russia's armed forces did not participate in the attempt to release hostages in the city of Budennovsk in the Stavropolye territory on June 17, Russia's Defense Minister Pavel Grachev declared in a televised address over the Moscow TV channel Tuesday.

"I believe that the operation was carried out badly," this was Grachev's estimate of the attempt to free hostages which was undertaken by Russia's power ministries.

Commenting on the actions of terrorists headed by Shamil Basayev in Budennovsk, Grachev pointed out that "this was a well-planned political-terroristic operation."

In his words, the building of the hospital where the hostages were detained was chosen beforehand specially for this purpose. "Dudayev's emissaries came to Budennovsk beforehand and prepared reserves of arms and ammunitions," Grachev believes.

Grachev spoke in favor of centralization of all Russian ministries and departments which have military formations. In his opinion, all of them should be subordinate to the Defense Minister and "leaders of these ministries should become deputies defense ministers" of the Russian Federation.

Grachev reported that on Tuesday he received a ciphering [as received] from Aleksandr Lebed, former commander of the 14th Russian army stationed in Transdniestria where Lebed reported that "he handed over all authorities to his successor Major General Valeriy Yevnevich."

Grachev 'Profusely' Thanks Duma for Sparing Him

LD2106142695 Moscow Russian Television Network in Russian 1300 GMT 21 Jun 95

[FBIS Translated Text] Defense Minister Pavel Grachev today met the heads of the medical service of the Russian armed forces. During the meeting, the minister described the situation in Budennovsk in detail and was quite negative about the activities of those involved in the tragedy on both sides. Purely professional problems of the military medical service in the conditions of local military conflicts were discussed.

Replying to journalists, Pavel Grachev touched on the results of today's sitting of the State Duma:

[Begin Grachev recording] The Duma voted against the resignation of the three ministers in charge of the power-wielding ministries. As a minister, I personally would like to thank profusely the State Duma deputies who voted against this, and against my resignation in particular. If the president decides to leave me in my post, I will honestly and conscientiously go about my duties. [end recording]

Pavel Grachev familiarized himself with an exhibition of medical equipment.

Defense Minister Grachev Criticizes Budennovsk Operation

LD2106164495 Moscow NTV in Russian 1500 GMT 21 Jun 95

[FBIS Translated Text] More and more obvious contradictions are emerging between the power structures: Some are clearly attempting to distance themselves from others. [video shows Grachev talking to the military and the journalists]

[Correspondent] Fifteen thousand servicemen of the Russian Army are to be brought into Moscow to protect public order jointly with the subunits of the Ministry of the Interior. Roughly the same numbers of forces are to be brought into other major cities. Pavel Grachev said this today at a training convention of military doctors.

Having analyzed the situation in the Balkans, the Chechen war, and the hostage-taking operation in Budennovsk, the country's leaders have come to the conclusion that Russia should be protected from the advance of the Islamic fundamentalism, personified by Dudayev's formations.

Pavel Grachev believes that Shamil Basayev's detachment, which was allowed to go into the mountains, will go on carrying out terrorist actions, but the chance to catch the fighters has now been lost.

[Begin Grachev recording] They have simply dispersed; knowing very well the area, they just went away and no large-scale operation will be successful. [end recording]

[Correspondent] In the defense minister's view, numerous deaths and casualties were caused by the lack of coordination between the armed formations which participated in the military actions in Budennovsk. At the next Security Council, Pavel Grachev intends to raise the question of the need to unite all departments that have weapons under the umbrella of the General Staff of the Russian Army

Border troops and troops of the Interior, the Ministry for Emergencies and special subunits of the Security Service are likely to strongly oppose this innovation.

[Begin Grachev recording] To be honest with you, I was really itching to go there, to be a boss. I know there would have been criticism again that Grachev had come to kill and to bomb. The president denied me this right to go and to command.

But again, everything could be done there much more correctly, with minimal losses and more importantly, with results. We could have lost fewer of our people, or hostages as they are called, and we could have stopped these bandits. Think of all the blood they are yet to spill. Everything could have been done better. What was done was useless, just useless. [end recording]

[Correspondent] Pavel Grachev believes that his department has nothing to do with the debate on the dismissal of the government caused by the ministers' awkward actions in Budennovsk, because subunits of the armed forces did not take part in the release of the hostages.

The Army General [Grachev] said that if Chernomyrdin's Cabinet leaves, he may be reappointed to his post by the Russian president.

The minister considers calmly the possibility of his complete dismissal: He has no intention of acting out and organizing rallies in his own suppport.

Grachev — Yeltsin Has Right To Dissolve Duma

LD2106204895 Moscow INTERFAX in English 1712 GMT 21 Jun 95

[FBIS Transcribed Text] MOSCOW, June 21 (INTERFAX) — It is too late to try to launch any operation aimed at eliminating the Chechen group of gunmen led by Shamil Basayev, thinks Russian Defense Chief Pavel Grachev.

Talking to INTERFAX Wednesday, he went on to say that no large- scale operation could be a success because the group, which is familiar with local terrain, had scattered themselves throughout the republic.

Grachev believes the grouping can be destroyed (by the Russians) either in Budennovsk or en route to Chechnya. "Whatever means or specialists needed are all there," he said.

The minister said Chechen gunmen acting in isolated groups both in Chechnya and Russia "may well do a lot of harm yet."

Grachev is skeptical about ongoing talks in Groznyy on the disengagement of the warring sides in Chechnya.

He said Russia's federal troops were the only side in Chechnya facing only isolated gangs engaged in sabotage and terrorist warfare there.

"There can be no question of troop disengagement as such", the minister said.

He does not believe the rebels are genuinely interested in any comprehensive settlement.

On the latest cease-fire agreement in Chechnya, Grachev said the Russian forces had been repeatedly cheated in the past. The rebels had used interim cease-fires for regrouping and rearrangement of the system of communications and coordination while field commanders set tasks to their units ahead of a new round of fighting.

He said the only way to achieve success was to keep the rebels on the run.

Grachev said he was unperturbed by the government's failure to win a confidence vote in parliament, adding that a final decision rested with the president.

"The head of state also has the right to dissolve parliament if he thinks the incumbent government is still capable of coping with tasks on Russia's recovery," he said.

Grachev said he was grateful to the Duma for voting against the dismissal of the three power ministries. But the minister also said he would start looking for a new job rather than make any noise or call protest rallies, should the president decide to sack him.

Defense Minister Opposes Agreements on Temporary Truce

LD2106210095 Moscow 2x2 Television in Russian 1901 GMT 21 Jun 95

[Report on interview with Defense Minister Pavel Grachev by unidentified correspondent; passages in quotation marks recorded]

[FBIS Translated Text] [Grachev] "If the president decides to dismiss me, well, I will go, and in that case, I will look for a new post; yes, a new job."

[Correspondent] This is how Russia's Defense Minister Grachev commented on the State Duma's decision of no-confidence in the government. The minister admitted that the operation conducted by the special subunits in Budennovsk had failed. Grachev believes that there would have been less bloodshed if the president had permitted him to head the operation in Budennovsk:

[Grachev] "In this way it would have been possible to lose fewer of our people — hostages, as we describe them — and not to let these bandits get away — this would have been possible. How much more blood will they shed! Anything could have been done, but they messed it up."

[Correspondent] In the minister's view the conflict in Chechnya will now assume the protracted nature of a partisan war:

[Grachev] "I do not believe that everything will end in a month or two. It will undoubtedly take several years."

[Correspondent] At the same time Grachev supported the agreement reached at the talks in Groznyy for a stage-by-stage withdrawal of federal troops from Chechnya:

[Grachev] "We have already withdrawn the main bulk of the troops. The motorized rifle brigade has remained. It will be stationed in Groznyy and the subunits of the airborne troops will leave in stages."

[Correspondent] At the same time Grachev categorically opposed any agreements about a temporary truce:

[Grachev] "I do not believe in these treaties, these agreements about a cease-fire and a disengagement. As a result of these breathing spaces, we are making it possible for the fragmented gangs to regroup and for their commanders to meet and redefine the tasks for the future, and for them to disperse, organize a system of communications and interaction and then operate actively once more. No breathing spaces should be allowed! Only then can there be success."

Joint Army, Police Patrols in Moscow

LD2106141695 Moscow ITAR-TASS in English 1244 GMT 21 Jun 95

[By Sergey Ostanin]

[FBIS Transcribed Text] MOSCOW, June 21 (ITAR-TASS) — The Russian government has decided to patrol the Russian capital again by men from local army units and cadets from military schools of the Moscow garrison, jointly with policemen and squads from the Russian Interior Ministry. ITAR-TASS was told today at the Russian Defence Ministry's Department for Information and the Press that this decision, adopted at the request of the Moscow government, pursues the purpose of toughening security measures in Moscow in light of the Budennovsk events. Enlisted for this purpose are several military units, which will be deployed for a corresponding period of time at the Frunze Central Airfield.

Airborne Forces Commander Interviewed on Troops in Moscow

MM2106170895 Moscow KOMSOMOLSKAYA PRAVDA in Russian 22 Jun 95 p 1

[Interview with Colonel General Yevgeniy Podkolzin, commander of the Airborne Forces, by Aleksandr Khokhlov; place and date of interview not given, under general heading: "What Are Airborne Forces Doing in the Capital?"]

[FBIS Translated Text] [Khokhlov] Yevgeniy Nikolayevich, why have troops been brought into Moscow?

[Podkolzin] Airborne forces from the Tula and Ivanovo divisions have come to the capital to patrol the streets together with the militia and to guard establishments of state importance, railroad and automobile bridges, key crossroads, and subway ventilation shafts. All these measures have been made necessary by recent events in the North Caucasus.

[Khokhlov] Who decided to bring the troops into the capital?

[Podkolzin] The Russian Government. As far as I know at the Moscow authorities' request.

[Khokhlov] How many of your soldiers and officers will take part in patrols and in guarding establishments?

[Podkolzin] About 4,000 airborne forces and about 30 armored vehicles have come to Moscow. Apart from the airborne units and subunits the capital's reinforced guard will be ensured by students and cadets from military training establishments and by servicemen from the Moscow garrison and the Moscow Military District.

[Khokhlov] Will the army patrols be armed?

[Podkolzin] In the subway the soldiers will be unarmed but when guarding establishments missions will be fulfilled by armed soldiers and officers.

Further on Troop Reinforcement in Moscow Region

LD2106184695 Moscow INTERFAX in English 1712 GMT 21 Jun 95

[FBIS Transcribed Text] MOSCOW, June 21 (INTERFAX) - Twenty armored vehicles and reinforced police patrol units are controlling all entrances to the Moscow Region, the region's Main Law Enforcement Department told INTERFAX.

According to the same source, 16 armored personnel carriers are staying at the traffic police control posts and another four armored vehicles will defend vitally important facilities in the region.

Such measures followed the gunmen's raid and hostage-taking in Budennovsk.

Temporary restrictions on the entrance to the Moscow Region for transport coming from other Russian regions were imposed on June 17. Controls over drivers and passengers was strengthened in order to prevent delivery of arms, explosive devices and drugs to Moscow and the Moscow Region.

A total of 1,000 servicemen, 700 defense ministry officers and 300 interior ministry officers will be helping the Moscow Region's police.

Due to such measures law enforcement officers seized 31 items of short weapons in the region during the last three days.

Over 5,500 police officers are now participating in defense of public order in the Moscow Region.

Airborne Chief of Staff on Increase in Troops in Moscow

LD2106221995 Moscow Russian Television Network in Russian 1900 GMT 21 Jun 95

[From the "Vesti" newscast]

[FBIS Translated Text] [Presenter Svetlana Sorokina] Additional security measures are being taken in Moscow to prevent acts of terrorism. Vladimir Zutkov, a spokesman for the Interior Ministry, told a REUTERS correspondent that 7,000 interior troops servicemen had been brought into the capital in addition to the 16,000 already here. In addition, these impressive figures became known today: around 4,000 airborne assault troops will in the near future begin guarding important facilities providing vital services for Moscow. Yevgeniy Podkolzin, commander of the airborne assault troops reported this to INTERFAX.

[Begin recording] [Correspondent D. Pugacheva] Troops have been brought into Moscow: 4,000 airborne assault troops. What is the explanation for this? Is it explained by the events in Budennovsk or the possible repetition of terrorist acts in the capital — which has not been ruled out by the Moscow mayor — or by the State Duma's vote of no confidence in the government today.

[V. Belyaev, chief of staff of airborne troops] Regarding your second question, this is unequivocally ruled out. The troops, the personnel of the Ivanovo and Tula airborne assault troops, have been brought into Moscow on the basis of a government decision and a general staff directive to strengthen... [pauses] to render assistance above all to the Interior Ministry bodies in maintaining public order and strengthen the protection of important facilities in the city of Moscow. This personnel is armed with normal-issue weapons. The decision has been made to guard some posts with the use of armored carriers. [video shows servicemen and armored vehicles on city streets]

[Pugacheva] Members of the armed forces are being introduced intothe city. How are Muscovites and ordinary people, who perhaps return home late and who are being stopped and detained and are asked to simply produce their documents, to conduct themselves?

[Belyayev] The soldiers will not be doing this. They will only guard facilities. They will not be checking any documents and will also not be undertaking any actions against Muscovites. [end recording]

Federal Assembly

Yeltsin Speech on Budget, Confidence Vote

LD2206084995 Moscow Russian Television Network in Russian 0600 GMT 22 Jun 95

[Speech by Russian President Boris Yeltsin at a session of the Russian Federation Government — live]

[FBIS Translated Text] I regard the government sitting as open. Esteemed chairman of the government, esteemed participants in the sitting: The whole country recently experienced tremendous tension over several days. Russia was literally shattered by the monstrous operation of Dudayev's terrorists in Budennovsk. Civilians lost their lives.

I ask you to honor the memory of the dead with a minute's silence.

You know that yesterday, the State Duma expressed no-confidence in the government of the Russian Federation.

I cannot agree with this decision. On the basis of my constitutional authorities, I state that I have confidence in the Chernomyrdin government. I have sent notification to this effect to the State Duma today. If they insist, there are other constitutional procedures to ensure that the government in this composition continues to work until the next elections to the State Duma. [applause]

Esteemed chairman of the government, esteemed participants in the sitting, today we will consider an exceptionally important issue to do with our future —the progress in preparing the budget for the next year, 1996.

For the first time in recent memory, we are ahead of schedule where this work is concerned. This is a good sign. It means that the economy is behaving more predictably, thanks to the first signs of stabilization.

Such an early elaboration of the budget makes it possible for us to prepare ourselves better for the year 1996, to make more exact calculations, and to prevent serious errors when defining the limits of incomes and expenditure. As a consequence, the situation of the enterprises financed from the budget will be more stable.

In drawing up our budget, we are proceeding from strategic targets for the development of the country's economy, defined in the presidential message to the Federal Assembly and in the government program. At the same time, it is necessary to ensure continuity of budgetary policies. This means that the positive trends that have been achieved must be consolidated and that well known shortcomings must be eliminated.

What has it been possible to accomplish in the first half of this year? The government resolutely rejected the option of printing more money as a means of financing the federal budget deficit. Norms and foundations of budgetary federalism have been established. Consolidation of a number of extra-budgetary funds has been carried out within the federal budget. Transition to the treasury system of budget implementation is underway. This policy will be continued next year.

I think we must start to treat the 1995 budget with respect — this is of fundamental importance. We will continue to foil attempts to live beyond our means, and there are still many such encroachments upon the state treasury under all manner of pretexts.

At long last, it is time for us to understand that the budget is a law, and it must be treated in precisely this manner.

Along with obvious successes, there are also unresolved problems. Moreover, some of them have already become endemic. It is precisely here that the main front of work is to be found when compiling the 1996 budget and the budgets of subsequent years.

The heavy tax burden impedes the development of a number of production sectors. Our tax collection continues to be bad. The potential sources for increasing budget revenue, sources other than those to do with taxation, have not been utilized to the full. Far from it. In particular, the proportion of resource payments is low. The State's income from the utilization of its property and from the sales of its property is unjustifiably small. As a result, the State Treasury depends too much on individual types of taxes reaching the budget.

Problems in implementing the budget remain. The level of budgetary discipline is low. The budgetary debt to enterprises, regions, and citizens is impermissibly high. Attempts by individual territories to gain for themselves an individual approach in their mutual relations with the federal budget continue unabated.

The unseemly practice of utilizing budgetary resources on other than the designed purposes is widespread. The recent checks on the agro-industrial complex confirmed this to be entirely true — moreover, on a large scale. Delays of many months in money transfers continue here. At the same time, the resources made available are put in commercial banks at high rates of interest.

Time passes and these sums build up. At the same time, the demands on the government to finance work in the agro-industrial complex are becoming more and more rigid. The other day I instructed the head of the government and the head of Central Bank to impose order and to strictly punish those guilty of making irrational use of budget funds in the agro-industrial complex. And we will not stop there.

As far as the 1996 budget is concerned, a number of issues must be raised: what will be the main economic indices, what awaits the Russian economy next year, and what will be the budget restrictions allowing room for maneuver? Whether we like it or not, we will not be able to go beyond their bounds.

It is no less important to determine what impact the 1996 budget will have on the development of the economy of 1997 and subsequent years. Over the past few months the rate of the slump in production has been substantially reduced, and the government needs to do everything it can to ensure that this trend becomes permanent and that the Russian economy begins an upsurge as quickly as possible.

The government's task next year is to basically complete financial stabilization and to stimulate an injection of investments. There is every reason to say that we will succeed in reducing inflation to 2 percent a month and in keeping it under safe control.

This will mean that bank credit will be accessible for most solvent enterprises. However, Russia will enter 1996 with a burden of complex social problems: unemployment, poverty, unsatisfactory environmental conditions, and others. Budgetary funds need to be allocated to resolve them. Serious efforts are needed in state support for education, health, culture, and science, and additional expenditure will also be needed to stimulate structural changes in favor of state-of-the-art, technologically developed production.

These and other problems must be resolved within the framework of strict budgetary restrictions on both income and expenditure. Loans from international financial organizations will be at a much lower level in 1996 than during the current year. The so-called inflationary tax will be a thing of the past with low inflation levels. The taxation burden on producers will have to be reduced, and this may initially have a negative effect on income.

The federal budget deficit for 1996 must not exceed 4 percent of the gross domestic product. And it may only be met by noninflationary means. Not one problem resolved by budgetary allocations in 1996 must be held over to the future. Not one budgetary restriction must be lifted. So, the government's main task is to develop an optimal version of the budget which will enable the boundaries set to be reached without exceeding the framework of the strict limitations for 1996.

The task is a hard one, but it can be fulfilled. It is of fundamental importance to seek extra capacity both in the revenue and expenditure parts of the budget.

The government must devise special measures to enable budget receipts to be substantially increased. It is primarily a matter of the funds received from privatizing state property, and of depositing and assigning packages of the shares that are in federal ownership to a trust board. If in the course of a day the state receives nothing from the property that belongs to it, that day must be regarded as having been lived to no avail.

The government and the Federal Assembly must radically reduce the fiscal and other concessions on payments to the budget. Specifically, it is necessary to complete the elimination of illegal concessions on customs duties. As an important reserve for the implementation of the budget and for ensuring that more taxes are collected, the government is obliged to devise and implement a complex of measures allowing that to be done.

In 1996, a federal treasury and an accounts office are to come into full operation. It is necessary that they jointly ensure tight monitoring of the effective and targeted use of budget resources.

The 1996 budget must provide a positive influence on the economy in 1997, become an integral part of the state's long-term budget strategy. The active reformation of the whole budget system must be continued in 1997. The mechanism for the demarcation of revenues is to be improved. The list of taxes which are under the jurisdiction of the components of the Russian Federation must be expanded. The centralization on a federal level of the main part of the land tax is to be abandoned. Stable norms for deductions from federal taxes for the benefit of the regional budgets must be established, and for a lengthy period.

I agree that the regions must have the right to introduce their own taxes and levies, but the federal authorities must have their own right to restrict the upper limit of taxation.

It is high time we created a standard base regulating the issuing of regional and municipal loans and other securities by local power bodies. A most acute problem that needs to be solved is that of substantially reducing the budget debt to enterprises. The remainder should be shaped by state debtor obligations, and the paying off of these debts be regulated by law.

The interests of the economy demand a real reduction in the tax burden, while reducing the stable foundations of the existing tax system and radically simplifying tax procedures, particularly for small businesses. A fundamentally new scale of income tax for the people is to be introduced. It amounts to increasing the taxes of people on high incomes and reducing the tax burden on those with lower incomes. At the same time we are to reduce the portion of taxation paid by enterprises and organizations.

The role of property and land taxation as a source of revenue of regional and local budgets should be increased, and the importance of payment of resources should be strengthened. A tax code will ensure complete regulation of the relationship between the state and the tax payers.

A careful stock-taking of state expenditure will be necessary in order that they may be sensibly reduced. It is necessary:

— first, to refrain from granting budget loans which destabilize the implementation of the budget;

— second, to substantially reduce the number of federal all-purpose programs and concentrate budget funds on the more effective and socially important projects;

— third, to reduce the proportion of expenditure on maintaining the state apparatus;

— fourth, to continue the decentralization of the investment process and to broaden the practice of state commercial financing of projects;

— fifth, to adopt measures to prevent deductions for depreciation of enterprises' investment resources;

— sixth, to review the procedure for financing individual federal bodies which shape social development funds;

— seventh, to enhance effectiveness in utilizing allocations for the defense complex;

— eighth, to reduce the level of subsidies to individual branches of the economy;

— ninth, there must be stricter monitoring of the use of budgetary resources.

Of course, the above policies do not exhaust the whole list of stock-taking measures.

It is important to note that the reduction in expenditure is not a one-off measure, but is a fundamental, strategy policy. There is no other method of consistently reducing the tax burden and normalizing state finances. The expenditure section of the budget must be dominated by expenditure on social needs.

The proportion allocated to the main categories of social spending in the summary expenditure must be higher than in 1995. For this to happen, the government must determine the threshold for the main social indicators concerning health, education, science, and culture, and set the level of financing no lower than it was this year.

The rate of increase in the minimum wage and pensions must not lag behind the inflation rate. The social sphere and support for investment are the key priorities in budgetary policy in 1996.

The principle of reasonable sufficiency must prevail in all other sectors of expenditure. The utmost responsibility is required from the government, the Federal Assembly, and the Central Bank in their adoption of coordinated and timely decisions. Russia must start next year with an approved budget.

Budgetary policy must also use the opportunities which Russia achieved as a result of the meeting of the leaders of the leading industrial countries in Halifax. I consider this meeting important and successful for Russia. In political issues our country spoke as an equal partner. In economic issues we acted selectively. Where Russia's own interests are involved and it is capable of taking obligations upon itself, we were equal with the Seven. The format according to which Russia took part in the talks met the interests of our country.

We have practically reached agreement on extending the deadline to pay off Russia's debts, on debt rescheduling. We made arrangements that the Big Seven will facilitate Russia's entry into worldwide trade organizations, to be effected as soon as possible. It has been decided that a meeting of the Big Eight on nuclear security issues will be held in Moscow in the spring of 1996, some time in March or April.

Questions of Russia's joining the Paris club of creditor-states were considered in a spirit of positive attitude toward Russia. Naturally, there were some who were unwilling to see Russia's status enhanced as a major creditor for the developing countries.

It is necessary to consolidate a real process — practically all the CIS countries operate and live on our credits.

In the first place, the process of political settlement in the Chechen... [pauses] No, just a minute, it's not here. [Yeltsin adjusts notes]

It is necessary to integrate within world economic structures more actively and to keep in constant touch on all the issues debated at the summit.

Esteemed participants in the sitting, I think that at today's government sitting we cannot shirk a debate — albeit a preliminary one, of course — concerning the tragic events in Budennovsk, primarily because urgent measures are needed to ensure that such events are not repeated.

This tragedy became possible, to a large extent, because of errors in the work of government and presidential structures, many ministries and departments.

First, the process of political settlement of the Chechen crisis was clearly delayed. We did not allow ourselves sufficient political will or flexibility on this issue. We did not allow ourselves even the possibility of any kind of compromise. It has to be admitted that the people who were conducting the talks as representatives of the federal authorities put more trust in methods of force to resolve the crisis.

Second, big meetings provide the machinery for the state to make decisions. There is clearly a problem here in organizing close work in one place between the president's office, the government, and the Security Council.

Third, the Budennovsk tragedy brought into focus problems in the operation of our law enforcement bodies and special services. The Federal Security Service, the Ministry of Internal Affairs, military intelligence, and the border guards' intelligence failed to obtain information on the plans and schemes of Dudayev's leadership for acts of terrorism and sabotage. In fact, they relaxed Russia's border with Chechnya itself, between all components of the Russian Federation and Chechnya. This was the duty of our border service.

The appearance of terrorists in Budennovsk was a total surprise for everyone, for the intelligence men, for the Federal Security Service, and so on. Essentially, there was a failure to implement the 6 January 1995 Security Council decision instructing the Security Service, the Interior Ministry, and the prosecutor general's office to take measures to detect attempts to move military operations, and actions, sabotage, and terrorism beyond the borders of Chechnya.

Armed fighters are penetrating other areas of Russia singly and in groups. They spent several months transferring to Budennovsk their cargo — what is meant here is equipment, grenades, mines, and so forth — weapons; and no-one noticed this. They could not have transported such a large amount of weapons in two or three vehicles. A considerable part of Budennovsk had been penetrated by them beforehand. The conditions had been prepared for the operation by Basayev's main group.

The Defense Ministry, the Interior Ministry, and the Federal Border Service failed to implement properly the decision on stepping up patrols of Chechnya's administrative borders. Nor were patrols of the state frontier stepped up. They did not manage to close, in a reliable manner, the channels by which Dudayev has been receiving weapons, mercenaries, and other aid from other states.

Fourth, a dangerous situation is taking shape in the areas of the republic which have been liberated from the unlawful armed formations. The bodies of power, including the bodies of law and order, have been infiltrated by a considerable number of officials who support Dudayev.

Fifth, the events in Budennovsk have shown that the measures to prevent terrorism are completely unsatisfactory. The government, the special services, the bodies of law and order, and the prosecutor-general's office urgently need to remedy and put into effect a viable complex of measures to ensure early warnings of acts of sabotage and terrorism in order to protect the safety of citizens and the security of vitally important facilities.

It is necessary to develop a mechanism of interaction between the power structures in such situations and give the appropriate instructions to the regions.

Unfortunately, the world has become accustomed to terror, and the question of coordinating the fight against terrorism by all the world's major states, and first and foremost the Eight, was discussed in great detail at Halifax, just before the events in Budennovsk.

Of course, the world has indeed become somewhat accustomed to terror. Following the recent major acts of terrorism in Japan, the United States, and so on, it would seem that it would be difficult for anyone to be surprised by such acts, but even against this most ominous background the events in Budennovsk stand out in the scale of their violence. There have been no precedents where the most defenseless people — pregnant women, the elderly, children, and the sick — have been seized as hostages, and a hospital has never before been the target of a terrorist act. One must call a spade a spade, and this was bloody, unprecedented terror.

I believe it would be wrong to see the tragedy in Budennovsk merely as the result of the situation in Chechnya as a whole. On the contrary, all three years of Dudayev's rule have meant life according to the terrorist Shamil Basayev. At every stage of the development of the Chechen events, one and the same method has been used — the method of blackmail under cover of hostages.

It was precisely in this way that in 1991 the Supreme Soviet of the Chechen-Ingush Republic was overthrown, and servicemen were captured by the same method in the building of the federal power bodies in Groznyy. Dudayev's men seized weapons from the Russian garrison on the territory of the republic by threatening the lives of servicemen's families.

I believe it is necessary to state that the blackmailing of the authorities and the blackmailing of the state is unacceptable to us. No concessions to terrorism are acceptable. I have to issue a warning that the authorities will take all necessary measures to punish those criminals who are particularly dangerous.

At the same time, the fact that talks are taking place is not a political concession to the terrorists. Talks began with Dudayev's representatives, with the mediation of the Organization for Security and Cooperation in Europe [OSCE], back in May. A firm policy of seeking a political solution to the Chechen problem is the strategic position of the federal authorities.

It needs to be said that the government is currently taking serious measures to restore authority in districts and towns throughout the Chechen Republic as a whole and from the point of view of material assistance in rebuilding homes, and so on.

As far as Budennovsk is concerned, I came to an agreement with [Moscow Mayor Yuriy] Luzhkov yesterday regarding the rebuilding of the hospital, fully supplying it with new equipment, and providing it with financial, material, and human resources. He is flying out there today.

The danger of terrorism demands that additional law-protection measures be taken throughout Russia, especially on the territory adjacent to the Chechen Republic. Much has been done in the past few days, but this does not mean that we can be complacent.

As you know, a Security Council commission headed by [Oleg Ivanovich] Lobov is now working in Stavropol Kray. Its task is to make a thorough study of everything that happened in Budennovsk. When we have the results of this work I propose holding a session of the Security Council next week. It will examine in detail what actions need to be taken so that the country and its peaceful citizens can be safely protected from terrorists. Clearly decisions will have to be taken regarding certain heads of ministries and departments.

Esteemed participants in the session, members of the Russian Government. Our country is going through a difficult time. Now as never before Russia needs consolidation of powers and unity. I regret that the State Duma did not understand this and passed the resolution of no-confidence in the government. I have already said that I do not idealize the present composition of the government; I am already aware of its shortcomings. But I cannot and will not allow the central link of executive power of the Russian state to be weakened at such a time.

Under Section 2, Article 117, of the Constitution of the Russian Federation, I have today informed the State Duma that I disagree with the resolution of no-confidence in the Russian Government it passed on 21 June 1995. I trust the government of Viktor Stepanovich Chernomyrdin. We will work together.

Thank you for your attention. [applause]

Chernomyrdin Speech at Government Session

LD2206101695 Moscow Russian Television Network in Russian 0632 GMT 22 Jun 95

[Speech by Russian Federation Prime Minister Viktor Chernomyrdin at government session in Moscow — live]

[FBIS Translated Text] Esteemed president of the Russian Federation, esteemed participants in the government sitting, first and foremost I want to say that from this minute onward our actions will be governed by the Russian Federation president's message to the government concerning 1996 budget policy and by the tasks Boris Nikolayevich set in his speech.

The draft 1996 budget will be ready by the time specified by the president and will be completely in keeping with the goals defined in the budget message.

Justified criticism of the government was voiced here today. We have not done all we set out to do. We do take many compromise decisions and we do take many decisions which, in essence, have not, at times, been thought through right to the end.

Not infrequently our actions lacked sufficient consistency. The result of all this is that inflation declined more slowly than expected and, as a consequence, the social price of the transformations being carried out in the economy had to go up. Yesterday's State Duma decision to pass a vote of no confidence in the government was partly caused by this. I am convinced that no one in the country will win anything thanks to this decision. I am, however, convinced that business interests, the understanding of our nationwide goals, endurance and responsibility will, in the final analysis, gain an upper hand over emotions.

If we wish to consolidate the positive trends in the economy which have made themselves felt over the past few months, we are simply duty-bound to stay within the official budget and to ensure that the budget for the next year, 1996, will have been approved by December.

When drafting it, we are bound to proceed from the fact that the country's economic situation is taking on new dimensions. How is this reflected?

In the first place, it is reflected in a tangible strengthening of the ruble. True, political instability, as evidenced by yesterday's events at the currency exchange following the well-known decisions by the Duma, can contribute unexpected alterations here.

In the second place, it is reflected by the fact that the gradual decline in inflation is for the first time not accompanied by production decline.

In the third place, following the decline in the first few months of 1995, a trend has made itself felt towards resumption in the growth of real incomes of the population.

Fourth, there is evidence of recovery in the output of a number of industries and sectors of the economy. In May, for the first time in recent years, Gross Domestic Product, the output of industry, showed growth. This trend is present in June this year, too. These are all real signs that the Russian economy is on the road to recovery.

As the president said today, from this year the budget deficit has ceased to generate inflation in the Russian economy, and this means that the work of the printing presses is being kept under fairly tough control. Things have improved where increasing revenue is concerned. I can report today that tax revenue coming into the budget in the period January-May comprised one half of the total outlined for whole of the current year. Moreover, 53 percent of the total expected for the year in value-added tax has been received. We have had 64 percent of the income tax target and 63 percent of resources payments. As a whole, the total of payments received for the first five months of this year has exceeded the forecast figure for this period by 10.5 trillion rubles, or 28 percent. Moreover, in May — against the trend of falling tax receipts that built up over many years — for the first time we saw an increase on the previous month. This is closely linked to the appearance of the first signs of recovery in the economy.

The revenue side of the budget has now built up some reserves, which makes it possible this summer to regularize the situation concerning financing budget expenditure envisaged for the current year. Of course, it cannot be guaranteed that there will be no difficulties for the recovering organism that is the Russian economy. With what may these be linked?

First and foremost, pretty sharp fluctuations in the exchange rate of the rouble. The process has to be smoother. It is good that the dollar has started to be gradually edged out of the Russian economy, but it is now extremely, extremely, important that the pace of this process is skilfully managed. Getting carried away with rapid movement here would mean provoking extra money emissions and would jeopardize the interests of exporters and the whole foreign trade balance of the country.

The strengthening of the ruble is now stimulating imports, enabling them to consolidate their position on our internal market. But we have an effective mechanism here: customs tariffs. Under these conditions, raising tariffs on food should not automatically lead to price increases, although we may have to analyse everything here thoroughly once again and weigh everything up very carefully. All of these are real dangers which, however, I am sure we can avoid by implementing balanced, well-considered policies. The Russian Government and bank now have sufficient tools at their disposal to prevent significant fluctuations in the ruble rate. A sound stock of gold and currency reserves has been accumulated.

It is extremely important for us today to ensure the stability and continuity of financial policies and to make sure that the 1996 budget does not only strengthen and simplify the first results of financial stabilization, but also actually stimulates business activity and transforms savings into investment. All of these are absolutely necessary conditions for the social sphere to really occupy a leading place in budgetary policy for next year, for a noticeable step forward to be taken here.

Today is a special day in our history, 22 June. It is sacred for the people of Russia. It has been imprinted forever in the grateful memories of all generations. We are obliged to always remember those who defended the motherland 54 years ago, paying with their lives and health for its independence. Concern for the veterans of the Great Patriotic War is not just a campaign or the latest series of worthy anniversary celebrations, it is a constant task, our filial duty. This category of social policy should be fully reflected in the 1996 budget and it should be reliably provided for right down to the last ruble.

Respected sitting participants, the president's budget message sets a strict framework for the work of the government, as it should. What must be done? First and foremost the Finance Ministry, Minister Vladimir Panskov, the Economics Ministry, Minister Yevgeniy Yasin, should, with the participation of ministries and departments and the Central Bank, proceed from the strict restrictions for 1996 — specifically: a federal budget deficit of no more than four percent of the gross domestic product. Moreover, the inflationary principle of financing the budget deficit should be maintained so that the monthly inflation rate does not exceed two percent on average for the year.

An actual reduction in the tax burden on juridical persons and citizens on low incomes must be laid down in the draft budget, at the same time preserving the stable foundations of the current tax system. From 1 January 1996, the following special taxes are to be lifted: the tax on exceeding wage payments and a number of less important taxes. This could lead to losses in the tax system to an overall sum of R24 trillion, of which the federal budget may find itself short by R8-9 trillion. It is necessary to work out a proposal to compensate for these losses by way of sensible changes in profit tax rates and other taxes. A major reserve here is income from privatization, resource and property payments, and stepping up state control over the domestic alcohol market. I believe that in order to improve the tax system, it is necessary to do the following: to introduce in 1996 a fundamentally new scale of income tax for citizens and to sustain a tough line toward abolishing branch, special, extra-budgetary, and reserve funds; to simplify the system and procedure of taxation on small businesses. I ask you to pay special attention to these questions. Of course, increasing tax collection remains the main direction for strengthening the incomes section of the budget. Here we must speed things up, first and foremost through a substantial reduction in tax and other benefits on budget payments, increasing the return from customs policy, and, of course, by making the nature of the problem of nonpayments less acute.

A plan for governmental measures to strengthen the incomes section of the budget and improve the work of the taxation bodies has now been devised and will be put into practice in the next few days. In essence, a mechanism is being created for the permanent monitoring of the collection of payments in each incomes article of the federal budget. The personal responsibility of members of the government is being established. Such an approach should definitely form the basis of our plans for 1996.

A particular feature of the policy of state expenditure for next year is its orientation toward investment. The president's budget message states this clearly and unambiguously. The Ministry of the Economy has prepared a list of 39 federal special programs. I believe that we should draw a line here and once again carefully review each of these programs, bearing in mind a concentration of budget funds on the more effective and socially important projects. We must now tighten our belts.

In the completed documents on the basic directions of budget policy in 1996, we must see clear and distinct answers to the following questions: how, and by what mechanisms, will the effectiveness of the utilization of budget allocations for national defense, the defense complex, and agriculture be raised; how will the level of expenditure on maintaining the state apparatus and subsidies for individual branches of the economy be reduced.

What mechanisms and time framework will be set for a thorough reform of the budget, which will include, first, the adoption of a tax code, a law on the budgetary system, the budgetary process in the Russian Federation, in essence, a budgetary code for Russia; and second, a more precise definition of the structure of relations between the federal budget and the budgets of the component parts of the federation.

And finally, we need to increase the proportion of funds spent on the fight against crime, on the activities of the law-enforcement bodies. Responsibility to the citizens of Russia demands this. We must stop the wave of crime and terrorism that is submerging our country.

In connection with this, I state that the bandits responsible for the death and suffering of people in Budennovsk will not escape retribution. They are all seen as particularly dangerous criminals. They must all face justice, and the government will do everything necessary for this to happen. We have already made the demand at the talks on a peace settlement in Chechnya for the handover of all those who took part in the attack in Budennovsk.

I should say that yesterday at 0000 — that is, essentially today — the first round of talks ended and a document was signed in which the Chechens condemned the terror, the impudent terror that occurred in Budennovsk. They signed a document which obliges them to hand over all the terrorists together with their leader.

I must state here today the same thing that our president has said to our special services — the Federal Security Service, the Ministry of Internal Affairs, the Border Service — no one will allow us to deal with the situation in this way and leave the country in such tension. I am convinced that the fact that there are instructions from the president... [changes thought] We need to look into the causes. I cannot say or not say today that we did not know and that we were not warned that the Dudayev leaders who are in Chechnya today did not speak impudently about this. They warned us, talked about it, and did it; and it is not permissible not to take measures and to put the country in such a position. It is not permissible.

I ask and once again draw this to the attention of leaders, first and foremost, those who must bear the responsibility at all levels, from the districts, from the towns, the districts, regions, territories, the country, this is not permissible.

In conclusion, I would like to thank you, Boris Nikolayevich, for the words of support for the government which were heard here today. Precise answers were given in the Duma yesterday to questions regarding who is who, what is still dear to whom in Russia — the country or their own interests. In any case, clarity and certainty are important. These have appeared and everyone can make their own choice. The government will continue its work to implement the president's political policies, to extend the democratic reforms, and to strengthen Russian statehood. We will all, together, make great Russia a strong and confident country; and we will do this without any great upheavals.

Further Reportage, Commentary on Confidence Vote

Chernomyrdin: Cabinet To Continue Work

LD2106133495 Moscow ITAR-TASS in English 1249 GMT 21 Jun 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] Moscow, June 21 (ITAR-TASS) — "The Russian government will continue work, as before, despite the results of voting at the State Duma (Russian parliament lower house)," Russian premier Viktor Chernomyrdin told journalists at the Government House here on Wednesday.

The State Duma expressed no confidence in the cabinet by 241 votes at its plenary session today.

"We should concentrate now on concrete work. Political issues — the situation around Budennovsk and a settlement in Chechnya — come to the forefront", Chernomyrdin noted.

Chernomyrdin: Defeat 'Normal'

LD2106140895 Moscow INTERFAX in English 1230 GMT 21 Jun 95

[FBIS Transcribed Text] Moscow, June 21 (INTERFAX) — Russian Prime Minister Viktor Chernomyrdin's first-minute reaction to news about his Cabinet's failure to win the parliamentary confidence vote was to say "normal" after which he left the Duma.

First Deputy Prime Minister Oleg Soskovets also left the Duma, giving no comment on the Duma verdict apart from saying he had nothing to say about it.

Meanwhile, First Deputy Prime Minister Anatoliy Chubays was more eloquent. He said the no-confidence vote was an indication of the deputies' striving to agitate the situation in the country. Asked what the government was going to do next, Chubays said "We will go on working."

TV Shows Rybkin Presenting Motion

LD2106121895

[FBIS Editorial Report] Moscow Russian Public Television First Channel Network in Russian 0916 GMT on 21 June, during a relay of the no-confidence debate in the State Duma in Moscow, carries a three-minute speech by State Duma speaker Ivan Rybkin.

Speaking immediately after Russian Federation Prime Minister Viktor Chernomyrdin, Rybkin says:

"Esteemed colleagues. Concerning proposals with regard to specific cabinet members, [Defense] Minister Grachev, [Interior] Minister Yerin, Federal Security Service chief Stepashin, and Vice Premier Yegorov, there will be a separate vote on them, as a recommendation to the Russian president.

"Let me now propose to you that you vote on the State Duma's resolution article No 1, which says: To express no confidence in the government."

A vote is taken on the dismissal of Vice Premier Yegorov. Screen captions show 139 votes for Yegorov's dismissal, 9 against, and 2 abstentions.

Rybkin then asks deputies to vote for recommending that the Russian president dismiss within a week Defense Minister Grachev, Interior Minister Yerin and Federal Security Service chief Stepashin. The results shown on the screen are 136 in favor, 6 against, and no abstentions. Rybkin says the motion is therefore rejected.

Rybkin on 'Very Dangerous' Move

LD2106200195 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 21 Jun 95

[From the "Vremya" newscast]

[FBIS Translated Excerpt] So the State Duma has expressed no confidence in the government. Viktor Chernomyrdin and his colleagues heard many unpleasant things being said. However, the atmosphere in the hall during the debate was not that heated. The factions had specified their attitudes toward the government beforehand and knew how they were to vote. [passage omitted]

[Unidentified correspondent] The option of the dissolution of the State Duma is one possibility. Now at the initiative of the Communist Party the deputies are gathering signatures for the impeachment of the president. After all, under the Constitution the Duma cannot be dissolved once it has leveled accusations against the president.

Asked by the "Vremya" program for his assessment of the prospects for this type of development, Ivan Rybkin, the State Duma's chairman, said:

[Begin Rybkin recording] To crush absolutely everything is the passionate wish of those people who certainly want a destabilizing situation in the lead-up to the elections. I regard this as a very dangerous move indeed. The issue is very serious. It is not a game. It is very serious for Russia. Highly effective decisions must be taken by the president, the State Duma, the government, and the Federation Council, because these political games could lead us very far astray. [end recording]

[Correspondent] The deputies are intending to discuss a constitutional amendment on restoring parliamentary control over the executive authorities. The Duma has made its move. The next step is up to the president. [video shows State Duma proceedings, interview with Rybkin]

Party Leaders View Yeltsin Stance

LD2106151595 Moscow INTERFAX in English 1330 GMT 21 Jun 95

[FBIS Transcribed Text] Moscow, June 21 (INTERFAX) — In light of the no-confidence vote in the Russian government passing in the State Duma Wednesday, our INTERFAX correspondent put the following question to leaders of leading parliamentary factions: "What do you think, what is the likelihood that President Boris Yeltsin will take the State Duma's position into account and dismisses the government?"

Communist faction leader Gennadiy Zyuganov declared that he "does not rule out" the possibility of such a decision by the president. "If he has intelligent advisors they should understand and inform the president that this is the best opportunity to clean the government of undesirable figures," he said. Zyuganov believes that if the president does not ignore the State Duma's decision and dismisses the government then he could propose to Viktor Chernomyrdin, Oleg Soskovets, Oleg Lobov, Oleg Luzhkov, and Yuriy Skokov to form a new cabinet.

Leader of the Yabloko faction, Grigoriy Yavlinskiy, underlined that "the president is unpredictable in his decisions and can behave as he likes, either to dismiss the government or not to react to the Duma's position." He believes that "all the problems of our policy are caused by the president's unpredictability."

Leader of the Russia's Choice faction Yegor Gaydar "does not rule out" the possibility that Yeltsin could dismiss the government. "If this happens I would consider the decision an incorrect one," he underlined.

Leader of the Agrarian faction, Mikhail Lapshin, does not think that the government is threatened with resignation in the wake of the State Duma decision. In his opinion, Yeltsin will not do this and the State Duma will not return to the issue on a repeated expression of no-confidence before it recesses.

We'd like to remind that in line with the Constitution the president is obliged to dismiss the government within seven days or to disband the State Duma if it again adopts the same decision within three months after the first expression of no-confidence in the government. The Constitution does not oblige the president to dismiss the government after the first expression of no-confidence.

Independent deputy Alexander Shokhin (in May he left the Party of Russian Unity and Concord faction where he was the second top figure after Sergey Shakhray) believes that "it is quite probable" that Yeltsin will adopt a decision on the government's resignation. He underlined that in this case the president "can appoint an acting prime minister, for example, Oleg Soskovets and commission him to form a new Cabinet of Ministers."

Zhirinovskiy Criticizes Members

LD2106130695

[FBIS Editorial Report] Moscow Russian Public Television First Channel Network in Russian at 1100 GMT on 21 February, in its "Novosti" newscast, broadcasts a report that the State Duma passed a vote of no confidence in the government today. The correspondent summarizes the parliamentary debate, and includes excerpts from the speeches by deputies Glazyev and Yavlinskiy and the response from Prime Minister Chernomyrdin, who declined to answer specific criticisms and admitted that the government will not be able to do everything outlined in the 1995 budget. The report adds that Yavlinskiy called for the impeachment of President Yeltsin.

The correspondent goes on to note that Vladimir Zhirinovskiy spoke in the debate as leader of the Liberal Democratic Party of Russia [LDPR] and that he proposed that the president should form a transitional government, to be headed by a woman, and says that "after that the LDPR leader named members of a fifth column who should leave Russia." The video shows Zhirinovskiy speaking in the chamber: "They are sitting there," Zhirinovskiy says, "Gaydar, Yavlinskiy, Shokhin, Kozyrev, Chubays, Nemtsov." At this the deputies in the chamber laugh. Zhirinovskiy continues: "Yes, yes, yes, yes, yes. You are laughing in vain. It is not for nothing that I have already shaken my fist at him, and he has run off."

After Zhirinovskiy has spoken Gaydar defends the government's handling of the Budennovsk events, which he says saved lives. He says it would be irresponsible to ignore that in the confidence vote.

The report ends by showing Chernomyrdin closing the debate, telling the deputies that he will not run away from issues and calling for unity in solving Russia's problems.

Cabinet's Fate in Yeltsin's Hands

LD2106123295 Moscow ITAR-TASS in English 1137 GMT 21 Jun 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow, June 21 (ITAR-TASS) — The Russian government's fate will be decided by President Boris Yeltsin after today's no-confidence vote in the lower house of the Russian Parliament.

Article 117 of the Russian Constitution says that the President can either announce the resignation of Viktor Chernomyrdin's government or reject the Duma's decision. In the latter case, the Duma will have three months ahead to take up the matter again. If it refuses confidence to the government again, Yeltsin will have the right either to dismiss the government, or to dissolve the Duma and hold new elections.

This means that today's decision of the State Duma will not necessarily lead to the resignation of the government, but it is apt to substantially alter the course of political life in the country.

Many analysts agree that the no-confidence vote complicates the situation in the country on the eve of the parliamentary elections and makes it less predictable. Independent MP Vasiliy Lipitskiy told ITAR-TaSS that, in his opinion, the no-confidence vote on Chernomyrdin's cabinet "will not be regarded as a sort of disaster by the President and his entourage", there will be no confrontation between the Kremlin and the Duma, and the latter will not be dissolved.

"It does not seem that the Kremlin is now very eager to uphold Viktor Chernomyrdin," he stated. In Lipitskiy's opinion, it is possible that the president will exploit the no-confidence vote to reorganise the government, leaving the premier in office. In this case his candidature will have to be endorsed by the Duma.

Addressing journalists on Tuesday in the Kremlin, President Yeltsin said he would have his say in case of a no-confidence vote. "It will be as I say," the Head of State stressed.

Breakdown of Votes

LD2106221095 Moscow INTERFAX in English 1712 GMT 21 Jun 95

[FBIS Transcribed Text] Moscow, June 21 (INTERFAX) — According to reports received by INTERFAX, out of the 241 MPs who supported the motion of no-confidence in the government Wednesday 46 were Communists (with none of the group voting against the motion or abstaining and two not voting), 45 Agrarians (1, 0, 5), 45 Liberal Democrats (1, 0, 9), 25 members of the Yabloko group (0, 0, 2), 20 members of the New Regional Policy group (0, 0, 2), 10 Democrats (0, 0, 0), 10 members of the Russia group (6, 1, 18), three members of the Russia's Choice group (39, 1, 11) and three of the Stability group (13, 2, 21), two members of the Russia's Women group (0, 13, 6), one member of the Russian Unity and Accord group (3, 0, 15) and 33 independents (5, 2, 13).

State Duma Chairman Ivan Rybkin did not vote.

Deputy Prime Ministers Anatoliy Chubays and Aleksandr Zaveryukha and Environment Protection Minister Viktor Danilov-Danilyan voted against the no-confidence motion.

Agriculture and Food Minister Aleksandr Nazarchuk, Minister without Portfolio Nikolay Travkin and Deputy Prime Minister Sergey Shakhray did not vote.

Grigoriy Yavlinskiy, Vladimir Zhirinovskiy, Sergey Glazyev, Stanislav Govorukhin, Mikhail Lapshin, Gennadiy Zyuganov, Boris Fedorov and Ella Pamfilova voted against the government.

Yegor Gaydar, Sergey Yushenkov and Aleksandr Shokhin voted for the government.

Yekaterina Lakhova abstained. Irina Khakamada did not vote.

Survey of Duputies' Reactions

MM2106153095 Moscow IZVESTIYA in Russian 22 Jun 95 p 1

[Report by Sergey Chugayev: "Duma Throws Down Challenge to the President by Demanding the Government's Resignation"]

[FBIS Translated Text] On Wednesday the State Duma passed a vote of no-confidence in Viktor Chernomyrdin's government. In the very first minutes of the State Duma's plenary session on 21 June, at which the main topic was to be the debate on the question of confidence in the government, there was a rather sensational announcement from I. Rybkin to the effect that Prime Minister Chernomyrdin had asked the deputies not to change the agenda. Yet the removal of the question of confidence in the cabinet from the agenda on the eve of the session had been one highly likely scenario for the development of the crisis in relations between the two branches of Russian federal power.

However, Chernomyrdin's determination to confront his opponents in parliament apparently did not make a great impression on the latter. Nor did the news that Boris

Yeltsin had signed the law on elections of State Duma deputies.

The majority of factions in the chamber supported in rather tough terms the demand for the government's resignation which was made in the speech by the initiator of the process — S. Glazyev, leader of the DPR [Democratic Party of Russia] faction. This applies to the "Yabloko," Agrarian Party, LDPR [Liberal Democratic Party of Russia], and CPRF [Communist Party of the Russian Federation] factions. Those that came out in support of the cabinet, on the other hand (albeit with serious reservations and with demands for the resignation of the power ministers), included the "Russia's Choice" and PRES [Party of Russian Unity and Accord] factions and the "Stability" group. The "Women of Russia" faction and the "Russia" and "New Regional Policy" groups adopted a rather uncertain position.

So before the start of the vote neither the supporters nor the opponents of the government had a clear advantage. It was thus very difficult to predict the results of the vote.

However, in the course of the debate on the government's fate a new trend became clearly perceptible in the political sentiments of the State Duma. For the first time in its existence, there were fairly loud calls for the commencement of an impeachment procedure against the president and for an amendment to be made to the Constitution for that purpose.

The demand for Yeltsin's resignation from the post of president, put forward by the Communists, was supported by the "Yabloko," Agrarian Party, DPR, and Liberal Democrat factions. V. Zhirinovskiy even proposed as candidate for the presidency S. Goryacheva, that well-known political figure from the past. In the corridors of the Duma, the Communists have begun to collect signatures for the president's resignation.

Meanwhile, as the majority of deputies admit, the no-confidence vote will have no serious consequences for the executive. At worst, after a second expression of no confidence the president could replace the premier or disband the Duma. So there is every reason to believe that the episode of the discussion of the problem of confidence in the cabinet is nothing more than just another blatant pre-election show put on by the leaders of opposition factions, first and foremost the Communists, in order to exploit as effectively as possible in their own interests the situation that has arisen in the country since the Budennovsk crisis.

At the same time proposals for the resignation of Nikolay Yegorov, Pavel Grachev, Viktor Yerin, and Sergey Stepashin, as ITAR-TASS reported, did not collect the necessary number of votes in the State Duma. The vote on these proposals took place after the State Duma had already passed the vote of no confidence in Viktor Chernomyrdin's entire government.

The proposal to remove Nikolay Yegorov from his post was supported by 139 deputies, with nine against and two abstentions. The resignation of Pavel Grachev, Viktor Yerin, and Sergey Stepashin was voted for by 138 people, with nine against and six abstentions.

Final Results of the Voting in the State Duma on the Vote of No Confidence in the Government

For — 241

Against — 72

Abstained — 20

To pass the vote of no confidence, 226 votes were needed.

Government Paper Views Duma Vote

MM2106191895 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 22 Jun 95 p 1

[Unattributed report: "Who Wants an Upheaval. The Deputies Have Had Their Say. What Will the President Say?"]

[FBIS Translated Text] Speaking on behalf of 107 parliamentarians who had demanded the government's resignation, Sergey Glazyev, chairman of the Duma Committee on Economic Policy, urged deputies to pass a vote of no confidence in Viktor Chernomyrdin's cabinet.

Setting out the motives behind this demand, Sergey Glazyev said that "none of the government's commitments had been fulfilled over the past two years." According to him, none of the points of the president's annual message to the Federal Assembly has been implemented.

Having marked as unsatisfactory the activities of Viktor Chernomyrdin's team in the socioeconomic sphere, Sergey Glazyev said that the "tragedy in Budennovsk is a typical example of the government's lack of professionalism and inaction."

Viktor Chernomyrdin, chairman of the Russian Federation Government, then spoke. He said that he would not reply to the comments and criticism addressed to the government by Sergey Glazyev. He urged the deputies to decide on their attitude toward the cabinet during the vote.

Viktor Chernomyrdin announced that he planned to make a speech to the State Duma 19 July on the results of the development of the socioeconomic situation in the country over the first six months of the year. He admitted that the government had not yet been able to fully implement all the "intentions" envisaged by the draft budget for this year. Ground is now being made up in the execution of the budget in the second quarter, he said, and it will probably be implemented for the year as a whole.

Addressing the deputies, Viktor Chernomyrdin stressed that the situation in the country "is the result of the work we all do."

The formation of the budget for 1996 is currently being completed. Tomorrow, the prime minister announced, Russian President Boris Yeltsin will deliver the budget message for next year at an enlarged government session.

The leaders of the main deputies' factions in the State Duma then spoke.

"Yabloko" faction leader Grigoriy Yavlinskiy advocated the government's resignation. But he stressed that if, in the event of a vote of no confidence in the cabinet, Viktor Chernomyrdin were asked to form a future government and it did not contain any of the ministers responsible for the events that are taking place in Chechnya and that took place in Budennovsk, the faction will support Chernomyrdin's candidacy for the post of new prime minister.

"Russia's Choice" faction leader Yegor Gaydar noted that his faction will not endorse a vote of no confidence in the government. At the same time, he stressed that unless the ministers responsible for the war in Chechnya and the events in Budennovsk are punished, the faction will raise the question not of the government's responsibility but of the president's responsibility.

LDPR [Liberal Democratic Party of Russia] faction head Vladimir Zhirinovskiy said that his deputies' association will vote for the government's resignation, but not in order to "clear the way for other destroyers of Russia."

PRES [Party of Russian Unity and Accord] faction representative Vyacheslav Nikonov announced that his faction would oppose a vote of no confidence in the government.

According to Igor Shichanin, representing the "Russia" deputies' group, the members of the group had decided not to participate in the vote.

The end result was a vote of no confidence in the government by the State Duma deputies.

Some 241 deputies voted for the government's resignation, 72 expressed confidence in the cabinet, and 72 abstained. A total of 226 deputies' votes were needed for a vote of no confidence.

The State Duma rejected subsequent proposals on the dismissal of Nationalities Affairs Minister Nikolay Yegorov, Defense Minister Pavel Grachev, Internal Affairs Minister Viktor Yerin, and Federal Security Service Director Sergey Stepashin.

Article 117 of the Russian Constitution says that president can either announce the resignation of Viktor Chernomyrdin's government or reject the Duma's decision. In the latter case the chamber has three months to reconsider the matter. If again it passes a vote of no confidence in the cabinet of ministers, Boris Yeltsin can either announce the government's resignation or dissolve the Duma and call an election.

"The president has no reason not to have confidence in the government," Sergey Medvedev, the head of state's press secretary, said yesterday.

Vote Seen Aimed at Yeltsin

MK2206094095 Moscow SEGODNYA in Russian 22 Jun 95 p 1

[Commentary by Lev Bruni: "Three Votes"]

[FBIS Translated Text] The Stolypin rhetoric did not help Viktor Chernomyrdin. Quoting from his famous forerunner [an early twentieth-century prime minister], the premier most probably knew that the no-confidence vote would go through. Rather more surprising for him must have been the fact that the power ministries on Okhotnyy Ryad proved to be more popular by far than the chairman of the government himself. The Agrarians, the LDPR [Liberal Democratic Party of Russia], and the Communists, who stuck, in a disciplined manner, to the their factions' guns, gave the cabinet a no-confidence vote and in the same breath would not favor the resignation of Grachev, Yerin, Stepashin, and Yegorov. The upshot is that the no-confidence resolution resulted from an amazing unity of deputies who wish to flush from the cabinet the current power ministers and those who are prepared to have precisely them stay on.

The unexpected sympathy of the opposition with the above ministers can, perhaps, be accounted for by only the shared positions on the war in Chechnya. Moreover, Zhirinovskiy maintained in the Duma that the attempts to have the defense minister and the internal affairs minister stay on are well-nigh Mosad's intrigues aimed at the final ruination of Russia. Speaking next, Govorukhin charged the premier precisely with not having resorted to Mosad's help in Budennovsk, whereas a usually cool

Zyuganov pounced on journalists, already in the corridor following the debate of the future of the power ministers, accusing them of having ruined the "Communist" party, the soviets, and of now trying to destroy the last operating control structure. And he was saying this with fierce conviction, giving one the impression that it was the Journalists Union, rather than Yerin with Grachev, who was directing the storming of the White House in October 1993.

Chechnya sparked a quarrel between the Duma and the government but it perhaps also caused the opposition to make up with the ministers it so dislikes. Nearly all those present in the chamber indicated in an unprecedented qualified majority vote that it is in the president that they had no confidence in the first place. "Russia's Choice" and Yabloko" are prepared to reconcile themselves to the government minus the current power ministers. The Communists, Zhirinovskiyites, and the Agrarians are now quite happy with the power ministers minus the government, but they all are bent on limiting the president's authority over this or any other government, over these or any other power ministers.

Many of them, however, did not hide the fact as they explained the stance of their factions speaking in the Duma. They suggested that they disliked the president but could not do anything about it, so let us vote for the government to go.

According both to the Constitution and the situation, the ball now is in the court of Boris Yeltsin, who can perhaps claim for himself a place in the Guinness Book of World Records. He has managed, two times in a row, to antagonize the overwhelming majority of two parliaments of the country he heads.

Yeltsin Draft Appeal on Confidence Vote Rejected

*LD2106211895 Moscow INTERFAX in English
1856 GMT 21 Jun 95*

[FBIS Transcribed Text] Moscow, June 21 (INTERFAX) — The State Duma rejected Wednesday [21 June] the draft appeal to Russian President Boris Yeltsin, which was prepared by a group of deputies and called on Yeltsin to support the Duma's resolution on the no-confidence vote in the government.

The appeal says that the results of the discussion of the government's work have shown that the Duma "had to take" the decision on the no-confidence vote.

It also asks the president to look into the issue of "forming a credible coalition government that would include members of all main Duma factions."

A total of 168 deputies voted for the appeal, with 226 votes required to pass a bill.

Duma Passes Referendum at Second Reading

*LD2106174795 Moscow ITAR-TASS in English
1600 GMT 21 Jun 95*

[By Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow, June 21 (ITAR-TASS) — The State Duma, the lower house of the Russian parliament, on Wednesday [21 June] voted 325-1 with two abstentions to pass in second reading the draft federal law on a referendum in the Russian Federation.

Under the draft law, a referendum can be initiated by at least two million Russian citizens unless not more than 10 per cent of them live in the same federal subject or outside the Russian Federation. A referendum can also be initiated by the Constitutional Assembly in case it decides to put a draft new constitution to people's vote.

The document provides that every Russian citizen of group of citizens, as well as a national public association allowed by its charter to participate in elections of bodies of federal government, have the right to set up, at least six months before moving an initiative to hold a referendum, an action group of at least 100 people to collect signatures in favour of the proposed people's vote.

A nationwide referendum is to be called by the Russian president. Before making a decision to this effect, the president forwards the required documents and supporting materials, within ten days since he received them, to the Constitutional Court together with an appropriate request. The Constitutional Court checks the documents for compliance with constitutional provisions and informs, within a month, the head of state of its decision, which is to be made public immediately.

Once the Constitutional Court decides that all constitutional requirements are observed, the president must call a referendum within 15 days since he is furnished with the ruling by the Constitutional Court.

Under the draft law, the referendum Central commission declares the referendum valid if more than 50 per cent of eligible voters cast their ballots.

The decision passed by the referendum is deemed binding for everybody and does not need additional approval, the document emphasises.

Duma Passes Law on Future of 14th Army

LD2106161895 Moscow ITAR-TASS in English 1525 GMT GMT 21 Jun 95

[By Ivan Novikov]

[FBIS Transcribed Text] Moscow, June 21 (ITAR-TASS) — A day after General Aleksandr Lebed stepped down as the 14th army commander having signed documents that put an end to the army as such, the State Duma passed a law concerning the Army's further existence in the foreseeable future.

The law "Concerning the ensuring of security in the zone of stationing of the 14th general-purpose army of the guards of the Armed Forces of the Russian Federation" mandates suspension of the reorganization of the army command, cuts in the personnel and withdrawal of the troops from the area before all the necessary conditions are created for the political settlement of the conflict in the Dniester area, the withdrawal and elimination of the ammunition, military equipment and arms controlled by the army.

Under the law, the country's federal budget for 1996 must contain a separate protected line on the provision of funding for the upkeep of the 14th army as well as spending for the utilization, withdrawal or elimination of the ammunition which is not subject for withdrawal from the area where the 14th army is stationed.

Up until the time when all necessary conditions are created for the political settlement of the conflict between Chisinau and Tiraspol over the region's degree of autonomy and the elimination of ammunition, the 14th army will be manned with citizens of the Russian Federation.

The law is to come into force after it is its approved by the Federation Council, the upper house of the Federal Assembly, and signed by the President.

Regional Affairs

Groznyy Talks Continue Despite Hostage Episode

MM2106134595 Moscow KRASNAYA ZVEZDA in Russian 21 Jun 95 p 1

[Report by Aleksandr Andryushkov and Vladimir Gavrilenko: "Talks Resume on Optimistic Note"]

[FBIS Translated Text] Groznyy, Moscow — The talks between the sides in the Chechen conflict have resumed in Groznyy. For the umpteenth time. This was preceded by a cease-fire by the Russian side.

The Basayev detachment's bandit assault on Budennovsk shook the whole country. Incidentally, some observers have tended to link the opening of the latest round of talks with that action, but this suggestion was rejected by Chechen delegation head Usman Imayev, who stated on the first day that the talks would go on regardless of Shamil Basayev's actions.

The sides entered the negotiations from different perspectives, as it were. The federal troops have driven Dudayev's army into the mountains, denied them maneuvering space, and scattered them. So for Dudayev the talks offer a good opportunity to "take stock."

Commenting on day one of the talks, Sandor Massaros, head of the CSCE Mission which is overseeing the talks, displayed a cautious optimism. It was agreed that questions pertaining to a cessation of hostilities, the reciprocal release of people forcibly detained, and a halt to terrorist acts and sabotage would be subject to further discussion and the adoption of decisions and questions of disengaging the opposing sides, disarming the armed formations, and related problems were also examined. The experience of previous rounds of talks shows that these are the most difficult issues here.

The Russian delegation is headed by Vyacheslav Mikhaylov, deputy minister for nationalities affairs. The delegation comprises Nikolay Semenov, vice premier of the Russian Federation Government and director of the federal executive organs territorial administration in Chechnya; Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs representing the public; and Colonel General Anatoliy Kulikov, deputy minister of internal affairs. Dudayev's side is represented by Usman Imayev, former general prosecutor; and Akhmed Zakayev, chief of Dudayev's department of culture and now a field commander.

During the talks the progress of the Basayev detachment was being constantly monitored. Col Gen Anatoliy Kulikov left the talks at 1600 hours in connection with that.

In conversation with people in Groznyy and gunmen I (that is, Aleksandr Andryushkov — author's note) heard people say that everyone was tired of the war. And if by chance shots are heard, that is an act of provocation. But unfortunately.... In Groznyy itself there has been a sharp increase in shootouts; attempts have been made to capture a maternity home, the "Krasnyy Molot" plant, and other installations, but they were beaten off. This is due to the considerable influx of gunmen from other parts of Chechnya posing as refugees. I managed to talk with the chief of the Chechen delegation head's bodyguard — his forename is also Usman but he did not give his surname. When I asked whether Dudayev knew about Basayev's action in Budennovsk, he replied that he did and had even approved it...

As the newspaper was being signed to press, the talks were continuing. Aslan Maskhadov, chief of staff of Dudayev's formations, and Lecha Magomedov, deputy chairman of the Chechnya National Salvation Committee, have also joined in the talks.

Kulikov Threatens To End Cease-Fire

LD2106123395 Moscow ITAR-TASS World Service in Russian 1209 GMT 21 Jun 95

[By ITAR-TASS correspondents Oleg Velichko and Sharip Asuyev]

[FBIS Translated Text] Groznyy, 21 Jun — The Russian government delegation to the talks in Groznyy on a peaceful settlement of the Chechen conflict has called on Dzhokhar Dudayev's supporters to publicly denounce acts of terrorism and agree to hand over the terrorists within three days. Journalists were told this by Colonel General Anatoliy Kulikov at the headquarters of the Joint Group of Federal Forces in Chechnya.

"If this does not happen by 1800 today, the Russian government delegation reserves the right to break the moratorium on combat actions in Chechnya," the commander of the joint group of federal forces emphasized.

Kulikov Interviewed on Talks

LD2106165395 Moscow Russian Television Network in Russian 1300 GMT 21 Jun 95

[From the "Vesti" newscast]

[FBIS Translated Text] Talks are continuing in Groznyy between representatives of the Russian Government and Dzhokhar Dudayev's supporters. The military joined in the talks today. On the Russian side this was Anatoliy Kulikov, commander of the federal grouping in Chechnya, and on the Chechen side Aslam Maskhadov, chief of staff of Dudayev's forces. Despite a report by the government's press service that the talks were proceeding constructively, General Kulikov, one of the participants in the talks, told journalists today that an ultimatum has been presented to the Chechen side: condemn the acts of terrorism or extradite Basayev and all the terrorists within three days. If this has not happened by 1800 today the Russian government delegation reserves the right to call off the moratorium on combat hostilities in Chechnya, Kulikov said.

[Begin Kulikov recording] Well, despite all this the government delegation today decided to continue the talks until 1800. The main bloc of the talks today, the subject matter under discussion, was the military bloc — namely, the issues of disarmament.

It has to be said that, awareness of the senselessness of continuing the military operations further and also of the real situation as regards control over the territory has meant that most of our proposals concerning the mechanism of disarmament have been met with understanding.

We have met with unconditional understanding regarding the halting of the military operations. Separate details were tentatively agreed upon in the course of the discussion and in principle common meeting ground has been found on almost all issues, except, perhaps, some small issues which are not of any overriding importance. [end recording] [video shows Kulikov, in combat gear, seated at desk in front of microphones]

Kulikov on Chechen Disarmament

LD2206001795 Moscow ITAR-TASS World Service in Russian 1435 GMT 21 Jun 95

[By ITAR-TASS correspondents Oleg Velichko and Sharip Asuyev]

[FBIS Translated Excerpt] Groznyy, 21 Jun — Military questions was the main topic at today's negotiations in Groznyy about a peaceful settlement of the conflict in Chechnya between Russia's delegation and Dudayev's representatives. The decision was made to implement the accords reached under the supervision of the commissions of observers which have been set up: this was said at a news conference on the territory of Khankala military airfield by Colonel General Anatoliy Kulikov, commander of the joint group of federal forces in Chechnya. [passage omitted]

The colonel general said that the disarming should take place as follows: on the orders of Aslan Mashkhadov, chief of general staff of the Dudayevite troops and with the participation of the commissions of observers, individual illegal armed formations 50 to 300 men strong are to stockpile their weapons which will be subsequently handed over to the law-enforcement bodies. To rule out provocations, it is planned that during this period the sides should disengage their troops a distance of 2 to 3 km.

Disarmament will also be carried out in the population centers, Anatoliy Kulikov noted, but on one condition — prior to the creation of effective law enforcement bodies a self-defense detachment 15 to 25 men strong may be left in each population center. All other weapons must be handed in. Everyone handing in weapons will receive a certificate signed by the commander of the joint group of federal forces in Chechnya and the regional public prosecutor testifying that the person in question has been exempted from criminal liability.

Anatoliy Kulikov said that it is necessary to take into account the fact that some members of the Chechen population used their own money to purchase weapons for self-defense purposes. We are obliged to buy back the weapons from these people, he noted.

General Kulikov said that the most important issue concerning the stage-by-stage withdrawal of the troops could be planned as follows: in some parts of Chechnya garrisons will be left, but completely demilitarized zones will also be set up in the republic. In the event of total disarmament the number of troops in Chechnya will be small in the long term. The strength of the interior troops will be up to 2,000 men, that is to say, four battalions, one of which will be motorized. The Russian Armed Forces will have a motorized rifle brigade with support subunits.

As a whole, after the implementation of these plans there will be fewer troops in Chechnya than in 1990, but everything will depend on the situation that develops in the region, Anatoliy Kulikov stressed.

The colonel general said that it is expedient to arrange local elections in the Chechen Republic in the next two to three weeks. "The new parliament will in future determine the republic's fate and will open the doors to debate for all leaders of political parties and movements," he stressed.

Anatoliy Kulikov said that questions regarding Dzhokhar Dudayev's future were not raised and not discussed at the negotiations.

Further Kulikov Remarks on Talks

*LD2106195695 Moscow Russian Public Television First Channel Network in Russian
1700 GMT 21 Jun 95*

[From the "Vremya" newscast]

[FBIS Translated Text] [Grigoriy Brynza] Today's talks in Groznyy were concentrated on the military bloc of problems. Colonel General Anatoliy Kulikov, commander of the joint group of federal forces in Chechnya, disclosed certain details to journalists. [video shows Kulikov in combat gear talking to journalists]

[Begin recording] [Kulikov] Usman Imayev maintains that all the issues that are being discussed in all the blocs have been agreed with Dzhokhar Dudayev personally. The Russian delegation stated that we do not care about agreement or lack of it, since we are holding talks with those who are authorized to solve the issues under discussion. The following question was put to Maskhadov [chief of staff of Dudayev's forces] once again today: Are you in control of the situation, can you give a cease-fire order and supervise its observance? We were told that yes, he can do this. Therefore Dudayev's name was not mentioned. He is not a subject of discussion at the talks. Rather, stopping the war, restoring peace, and creating conditions for normal life in the Chechen Republic are the subjects of discussion at the talks. [end recording]

[Brynza] It became clear that Maskhadov had failed to dissuade Basayev's group from carrying out the unprecedented criminal act. The Budennovsk scenario, it turned out, has a follow-up.

[Begin Kulikov recording] In addition to Basayev's terrorist group, similar groups were identified in a number of other localities and their criminal actions were averted. The final goal of these actions was to force the Russian Government to take into consideration Dudayev's criminal regime and, eventually, to resuscitate and restore this regime.

The Russian Government delegation has made an official statement in which it demands that the opposite side publicly condemn the acts of terrorism and hand the terrorists over to the bodies of justice within three days. If this does not happen, the Russian delegation reserves the right to suspend the cease-fire because it is impossible to detain or eliminate the criminals on the territory controlled by the illegal armed formations by any other means apart from resolute actions. [end recording]

Kulikov: Some 'Compromises' Reached

*LD2106195795 Moscow INTERFAX in English
1712 GMT 21 Jun 95*

[FBIS Transcribed Text] GROZNYY, June 21 (INTERFAX) — Numerous compromises have been reached on military issues during the talks between Russian government officials and Dzhokhar Dudayev's representatives in Groznyy Wednesday, Anatoliy Kulikov, commander of the joint federal forces in Chechnya, said.

In particular, he reported significant advances in the issue of disarming illegal militias. An understanding was reached that on the orders of Aslan Maskhadov, Dudayev's chief of staff, certain 50- to 500-strong units will surrender arms which will later be placed under the control of interior offices.

The so-called popular force units in towns and villages should be cut to a strength of 15-25 men, with the lists of their names and numbers of their weapons submitted to federal authorities. The other weaponry in the hands of popular force units has to be surrendered. Those who do will be granted immunity from criminal prosecution.

In this way, Kulikov emphasized, the population of the Chechen Republic may be completely disarmed.

He also said that tentative agreements have also been made on the pullout of Russian troops from Chechnya.

A total of 2,000 interior troops and a motorized brigade with support units would remain in Chechnya. There will be fewer troops in Chechnya than in 1990, Kulikov said. He added, however, that the strength of federal units in Chechnya will depend on the situation in the region.

In Kulikov's words, agreement was reached on pulling out interior and army units either to their garrisons or to the areas where the situation calls for their presence.

Answering an INTERFAX question, he said that the Shamil Basayev band which had carried out the attack on Budyonnovsk is now 50-to 60-strong and stationed in the Nozhai-Yurt District. The 15 fighters killed in Budyonnovsk have been buried in that area.

Delegations Sign Protocol

LD2106225595 Moscow ITAR-TASS World Service in Russian 2205 GMT 21 Jun 95

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Transcribed Text] Groznyy, 22 Jun — The third day of negotiations in Groznyy between the Russian Government delegation and Dzhokhar Dudayev's representatives ended with the signing of a protocol on a set of military issues.

Under the protocol, the sides have agreed to simultaneously issue the decrees for a cease-fire. For this purpose, it is planned to set up special commissions of observers, which will include the military, clerics, elders, and members of the OSCE mission.

Usman Imayev, former Chechen prosecutor general, said that both sides have agreed to free people being forcibly detained by them. "The sides will exchange lists of missing persons and exchange people on the principle of everyone for everyone," he stressed.

The important point of the protocol is the full disarmament of the illegal armed formations and the stage-by-stage withdrawal of Federal troops from Chechnya. In this connection, Anatoliy Kulikov, commander of the joint group of federal troops in Chechnya, noted that the coming disarmament will be carried out in three stages: first, large armed groups numbering between 50 and 500 men together with their field commanders and afterwards, home guard units and separate individuals. "Individuals voluntarily surrendering their arms will be exempt from criminal liability," he stressed.

Anatoliy Kulikov reported that the sides will draw back their military units two to four kilometers. He said there are plans to permanently deploy an Interior Ministry brigade of troops and a motor-rifle brigade in Chechen territory. The brigades will number between 2,000 and 6,500 men.

The sides will resume their talks at 1000 [0700 GMT]. A set of political issues will be discussed.

Chechen Delegates Condemn 'Terrorism'

LD2206052895 Moscow ITAR-TASS in English 0441 GMT 22 Jun 95

[By Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNYY June 22 (ITAR-TASS) — In response to a statement made at the talks in Groznyy by the Russian government delegation about the condemnation of terrorism, the Chechen delegation also condemned terrorism and expressed readiness to render assistance in a search for Shamil Basayev and other terrorists who staged the seizure of hostages in the city of Budennovsk in Stavropol region.

This was announced here last night at a press conference dealing with the results of talks between the Russian government delegation and Dzhokhar Dudayev's representatives.

"The denunciation of terrorism and subversion opens a way to end the war", chief Russian negotiator Vyacheslav Mikhaylov said and qualified Wednesday talks as the most difficult.

He added that both sides showed "high responsibility" and made it possible to "implement the chance for a genuine peace".

"Members of our delegation are deeply convinced that peace will come", Mikhaylov said.

He praised Russian Prime minister Viktor Chernomyrdin for his role in switching the Chechen settlement to a peaceful track. "I want to especially stress the role of the government and of Viktor Stepanovich Chernomyrdin in eliminating the Chechen crisis".

He added that both delegations at the talks are convinced that the fate of the Russian government, which got a no confidence vote in the State Duma Wednesday, now fully depends on the solution of the Chechen crisis.

Talks Resume in Groznyy

LD2206072695 Moscow ITAR-TASS in English 0707 GMT 22 Jun 95

[By Oleg Velichko, Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY June 22 (ITAR-TASS) — Talks on a peaceful settlement of the conflict in Chechnya, held by the Russian Government delegation and representatives of Dzhokhar Dudayev, have just been resumed in Groznyy.

Today the Russian side is represented at the talks by First Deputy Minister for the Affairs of Nationalities Vyacheslav Mikhaylov, head of the territorial department of federal executive bodies in Chechnya Nikolay Semenov and President of the Russian Union of Industrialists and Entrepreneurs Arkadiy Volskiy, who is representing the public.

The Dudayev side is represented by ex-Prosecutor-General of Chechnya Usman Imayev, head of the general staff of Dudayev's armed forces Aslan Maskhadov, head of Dudaev's department of culture Akhmed Zakayev who became a field commander recently, chairman of the former parliament of the republic Akhyad Idigov and field commander Shirvani Basayev, brother of Shamil Basayev, who is a consultant.

Imayev Reads Military Accord 'Text'

LD2206111495 Moscow Russian Television Network in Russian 1000 GMT 22 Jun 95

[From the "Vesti" newscast]

[FBIS Translated Text] The talks are continuing in Groznyy between representatives of the federal authorities and Dudayev's men. Discussion of a block of political issues is planned for today, and yesterday the main aspects of implementing a block of military matters were decided. The text of a joint document was read out to journalists by Usman Imayev, the head of the Chechen delegation:

[Begin Imayev recording] Point A: The cessation of combat operations. B: The reciprocal release of the forcibly detained people envisages that the following mutually agreed actions are carried out — an exchange of lists of those forcibly detained, including presentation of a list of individuals who passed through the infiltration points in the towns of Mozdok and Groznyy and other places where they were detained; reciprocal release of those forcibly detained in accordance with the principle of all for all within one month.

Point C: The cessation of acts of terrorism and sabotage is envisaged in the joint statement by the military commands of the warring sides totally condemning and prohibiting all acts of terrorism and sabotage.

Point D: Disarmament and phased withdrawal of troops. This is one of the most important issues in the block. The sides have agreed that once the document and agreement on peaceful settlement of the crisis in the Chechen republic are signed, the leadership of the Russian Federation will provide guarantees that military forces are not to be used to resolve political issues. [end recording] [video shows Imayev speaking a news conference]

FSB Figure Says Hunt Under Way for Basayev, Other 'Bandits'

LD2106105395 Moscow INTERFAX in English 1023 GMT 21 Jun 95

[FBIS Transcribed Text] GROZNYY, June 21 (INTERFAX) - Russia's all power structures are involved "in the searching operations to find the whereabouts of Shamil Basayev and other Chechen bandits," Deputy Director of Russia's Federal Security Bureau (FSB) Igor Mezhakov said in an interview with INTERFAX Wednesday.

In his words, "if Basayev is found and if he renders resistance then he will be eliminated as any other bandit."

Mezhakov reported that during the events in Budennovsk the Russian leadership had no other way out but to fulfill Basayev's demands because in this case the matter concerned life of hundreds of hostages.

Responding to INTERFAX why it was impossible to detain Basayev after the release of hostages in the village of Zandak, Mezhakov answered: "This mountainous region of Chechnya is completely under control of Dudayev's formations. A hundred of fighters met Basayev already at the approaches to Zandak. In order to detain Basayev it was necessary to implement a widescale operation with the involvement of large military formations of the joint group of the federal forces in Chechnya."

Asked whether the FSB knows about Dudayev's whereabouts, Mezhakov said: "It does not know for the press."

Criminal Proceedings Opened Against Basayev

LD2106142595 Moscow INTERFAX in English 1331 GMT 21 Jun 95

[FBIS Translated Text] MOSCOW, June 21 (INTERFAX) - Two criminal cases have been initiated by Russia's Prosecutor-General's Office against Shamil Basayev, the leader of the terrorists who seized hostages in Budennovsk, informed sources in the law-enforcement bodies told INTERFAX.

Alongside some of Dudayev's nearest associates, Basayev is faced with charges of illegal actions as a member of illegal armed groupings operating in Chechnya. This case was initiated on January 24, 1995.

Also, Basayev figures as the key person in the criminal case, initiated in connection with the armed attack on the town of Budennovsk in the Stavropol Territory, as a result of which 107 people were killed. A warrant for Basayev's arrest has been issued.

Budennovsk Rally Demands Government's Resignation

LD2106134895 Moscow INTERFAX in English 1331 GMT 21 Jun 95

[FBIS Transcribed Text] BUDENNOVSK, June 21 (INTERFAX) - A rally held in Budennovsk on Wednesday demanded the immediate resignation of the president, parliament and government which are "incapable of protecting their countrymen from lawlessness and violence." The rally was held to welcome back the volunteer hostages who accompanied the Basayev terrorists to Chechnya.

The rally, attended by deputy head of the Budennovsk administration Viktor Fedorov, adopted an appeal to President Yeltsin, Prime Minister Chernomyrdin, Federation Council Speaker Vladimir Shumeyko and State Duma Chairman Ivan Rybkin.

"The tragic events in Budennovsk on June 14 to 21," says the appeal, "were the result of the inept policy pursued by the president, government and the power ministers. Although they were fully informed about planned terrorist attacks, they did not take proper measures to protect the citizens, displaying criminal indifference, all of which allowed the bandits and murderers to carry out a carefully planned terrorist operation against the population of Budennovsk."

The rally's participants qualified the Budennovsk tragedy as "humiliation for the population of the town and Russian citizens in general."

"During five days, the population of Budennovsk, the people of Russia and Prime Minister Chernomyrdin stood shamefully on their knees in front of bandits and reprobates, who have no right to live on Earth," the document goes on to say.

The residents of Budennovsk also demanded that early parliamentary and presidential elections be held, an investigation be initiated, the culprits found and an open trial of the criminals be held.

They stated that by July 1, 1995, a law on the social protection of the population of Budennovsk and the Budennovsk Region must be adopted, and that the material and moral damage suffered by the families of those killed and wounded, and of the hostages, be fully compensated for within two to three months.

"To exclude events similar to the tragedy on June 14 to 20, Budennovsk must be given the status of a border town, and all Chechens and individuals without residence permits must be banished from the town. A sufficient amount of military equipment and armaments must be supplied to the city to be used by home guards in the case of an emergency," the document says.

Guards on Chechen, Ingush, Dagestan Borders Reinforced

LD2106202995 Moscow INTERFAX in English 1712 GMT 21 Jun 95

[FBIS Transcribed Text] MOSCOW, June 21 (INTERFAX) — The Russian border-guard grouping controlling Chechnya's administrative border with Ingushetia and Dagestan has been reinforced with mobile groups from the Northwestern Border District and the Arctic and Kaliningrad border-guard groupings, Aleksandr Suvorov, the press secretary of the director of the Federal Border Service, told INTERFAX in an exclusive interview.

He said the border guards would continue to perform their routine mission of preventing bandit units, criminals and arms supplies from crossing the border into Chechnya.

He announced that the border defense was strengthened following the events on the night of June 18, when about 100 Chechen militants tried to break through the Chechen border on the stretch controlled by the First Post of the Third Motorized Group under the 487th Special Border Detachment near the Dagestan village of Botlikh. Four border guards were killed and nine wounded during the raid.

"The border guards are strong enough to rebuff bandits' attempts to cross the Chechen border," said Suvorov.

Electoral Options for North Caucasus Viewed

954F2582A Nalchik SEVERNYY KAVKAZ in Russian 17 Jun 95 p 5

[Article by E. Urazayev: "What Proportions in the Law on Elections Are Advantageous to the North Caucasus Entities of the Russian Federation?"]

[FBIS Translated Text] In connection with the veto imposed by the Russian Federation president respecting the Law on Elections of the new body of deputies of the Russian Federation State Duma which was adopted by that body, debate has once again flared up concerning the proportion of seats allocated by party slate for the elections.

The question arises—what would be more advantageous for the North Caucasus entities of the Russian Federation? If we proceed from quantitative representation, then increasing the number of single-seat districts from

225 to 300 should formally lead to an increase in the number of deputies elected from the North Caucasus region. These would definitely be local people, or political figures of local origin.

If we study the draft law more carefully, however, we can draw the conclusion that there will be no automatic proportional increase in the number of electoral districts.

In increasing the number of districts, the average norm for the number of voters would decrease by approximately one-fourth. However, this would lead to an increase in single-seat electoral districts only in Dagestan, where there are 1.1 million voters, and in Rostov Oblast, Stavropol Kray, and Krasnodar Kray, where there are 3.2, 1.8, and 3.5 million voters, respectively. With a norm of approximately 350,000, this provides an overall increment of approximately one-fourth of the number of deputies from these Russian Federation entities. But the increments will not "grace" Adygey (where there are 326,600 voters), Ingushetia (124,700), Karachayevo-Cherkessia (286,600), or North Ossetia (421,500). A question might arise only with respect to Kabardino-Balkaria, where there are 508,700 voters and where things might be stretched to claim two districts.

Thus, the North Caucasus republics would not gain any advantage, although for Dagestan this could help provide a more uniform national representation. The fact is that only representatives of the two largest peoples of Dagestan—the Avars and Dargintsy—were victorious during the latest elections. Not a single Kumyk or Lezgin was elected, of which there are 300,000 each.

But perhaps party slates could increase the representation of North Caucasians? Judging from past elections, Dagestanis were the most successful here. Russian Federation Deputy Minister of Agriculture M. Abdulbasirev—seventh on the Agrarian Party slate, composer M. Kazhlayev—11th on the PRES [Party of Russian Unity and Accord] ("Shakhray's party") slate, and S. Reshezhskiy and O. Begov—26th and 34th, respectively, on the CPRF [Russian Federation Communist Party] slate, were elected State Duma deputies. Also successful from other North Caucasus entities of the Russian Federation were Yu. Kalmykov, former Russian Federation minister of justice—elected on the PRES party slate, and B. Titenko—elected on the Democratic Choice of Russia ("Gaydar's party") slate.

For the time being, the situation with respect to confirmation of North Caucasians on the Mt. Olympus of party slates remains at its previous level.

Yeltsin Appoints Envoys to Nenetskiy Areas

LD2106203995 Moscow ITAR-TASS World Service in Russian 1506 GMT 21 Jun 95

[FBIS Translated Text] Moscow, 21 Jun — Russian President Boris Yeltsin issued an edict today appointing correspondingly Miron Aleksandrovich Yamkin and Sergey Aleksandrovich Popov as Russian president's envoys to Yamalo-Nenetskiy Autonomous Area and Nenetskiy Autonomous Area.

Yeltsin Permits Elections for Nizhniy Novgorod Governor

MK2206072095 Moscow SEGODNYA in Russian 22 Jun 95 p 2

[Report by Vyacheslav Chebanov under the "Impact" rubric: "Boris Yeltsin Permits Elections for Nizhniy Novgorod Governor"]

[FBIS Translated Text] On 20 June, the Nizhniy Novgorod Oblast administration received a call from the office of Sergey Filatov, Russian presidential chief of staff, asking them urgently to locate Governor Boris Nemtsov, who at the time was visiting the rayon center of Uren. It was there that the governor learned about the national leadership's reaction to the Ostankino television debate [between Nemtsov and Vladimir Zhirinovskiy]. It was spelled out to him by phone by Yuriy Baturin, the president's legal adviser. The telephone conversation with Nemtsov was continued by Sergey Filatov, who advised that the president had signed an edict permitting elections for Nizhniy Novgorod governor.

Boris Nemtsov told journalists that, in his opinion, the instructions for a rerun of the "Face to Face" program that caused a public furor had come "from the top." He thanked "Ostankino" for helping to resolve the question, urgent for Nizhniy Novgorod, of gubernatorial elections.

The date of the elections will be named soon by the oblast's Legislative Assembly. According to Aleksandr Kotyusov, the Nizhniy Novgorod governor's secretary, Mr. Nemtsov would like the elections to take place 12 December, the day of elections for the State Duma. The governor argues that this would be easier on the budget because elections for governor today carry a price tag of 6 billion rubles.

Maritime Duma Ousts Speaker as Nazdratenko Bests Chubays

MK2106102095 Moscow KOMMERSANT-DAILY in Russian 21 Jun 95 p 3

[Report by Denis Demkin and Dmitriy Kamyshev: "Political Life in the Regions. Chubays' Report Spells Swan Song for Maritime Kray Speaker"]

[FBIS Translated Text] The conflict between Maritime Kray Duma Speaker Igor Lebedinets and kray Governor Yevgeniy Nazdratenko has ended in the latter's undisputed victory. Yesterday, Duma deputies voted to recall Lebedinets as its chairman. That the governor is unsinkable was also confirmed once more by the Duma discussion of the question of abuses by local authorities uncovered by a Moscow commission: the deputies thought the facts listed in the "Chubays report" "mostly do not correspond with reality."

The deputies began their private sitting yesterday by hearing a report by the kray prosecutor's office: it checked on facts listed in the report of the government commission that worked in the kray on the personal initiative of First Vice Premier Anatoliy Chubays. Much as was expected, the prosecutor's office conclusions did not differ much from the utterances of Yevgeniy Nazdratenko himself, who repeatedly denied all Moscow's charges against his administration. Admittedly, the kray prosecutor's office did find some disparities between the law and the actions of a number of kray officials, qualifying them, however, as administrative rather than criminal offenses.

Having dealt with Chubays, an "outsider," the deputies went at their own speaker who, very unexpectedly, had sided in this conflict with the first vice premier against his recent comrade-in-arms and boss, Nazdratenko. Lebedinets had shortly before that left for Moscow and thus did not attend the sitting; this, however, did not prevent the Duma from voting 16 to 12 for his recall. The mood of the majority was laconically expressed by Viktor Gnezdilov, chairman of the vote-counting commission: "We were faced with a choice: Lebedinets or Maritime Kray. We chose Maritime Kray."

In the meantime, behind the deputies' spontaneity is painstaking work by the kray leadership who, according to unofficial sources in the administration, was carefully selling the deputies on the idea and wising them up. The Duma was supposed to be stirred into making correct decisions also by the "vox populi" hailing from dozens of fishing vessels in Vladivostok and urging that the "unscrupulous" speaker be chased from his position. The latter was perhaps unnecessary: the heads of urban and rural administrations, who constitute a big part of the deputies, could easily guess, without any advice from the fishermen, whom they should support in this conflict — the practically powerless speaker or the omnipotent (at least as far as the kray is concerned) governor. It is perhaps too early to say the standoff is over: whereas Nazdratenko has managed to end the dissension in the kray's Duma, it will be much more difficult for the unsinkable governor to pacify Anatoliy Chubays.

Council Fails To Elect New Chairman

LD2106124895 Moscow ITAR-TASS in English 1042 GMT 21 Jun 95

[By Vladimir Konoplitskiy]

[FBIS Transcribed Text] VLADIVOSTOK, June 21 (ITAR-TASS) — The council of the Maritime territory, Russian Far East, failed on Wednesday to elect its new chairman, instead of deposed Igor Lebedinets. Deputies nominated two candidates for the post at today's session: present deputy chairman Aleksandr Prokhorov and manager of the Ussuri locomotive repair factory Vladimir Vedernikov.

Not a single candidate collected the required number of votes. Therefore, the question on a new speaker was postponed to the next meeting of the council scheduled for July 12.

The official reason for the no-confidence vote in Lebedinets has not been made public up to this time. According to earlier reports, this question was debated behind closed doors on Tuesday . Journalists were asked to leave the council auditorium.

Deputy Viktor Gnezdilov, chairman of the counting commission which summed up the results of the secret vote, who came to journalists later, limited himself to a brief statement: "Deputies faced the question: Either the fate of Lebedinets or the fate of the Maritime territory. Deputies chose the second."

The office of the territorial council promised ITAR-TASS to give official documents on the "historic" meeting no earlier than five days later. One can only guess about reasons for such secrecy around "the personal case" of Lebedinets.

One thing is only known: Sergey Dudnik, head of the administrative committee of the Nakhodka free economic zone, who put the item about the chairman on the agenda of the territorial council, said that the council under Lebedinets was inactive.

In the opinion of local analysts, the conflict between Governor Yevgeniy Nazdratenko and Lebedinets was a real reason for the latter's removal.

The chairman blamed Nazdratenko as well as some other top executives of the territorial administration for various violations exposed recently by an interdepartmental government commission in the Maritime territory.

Economic Issues

Central Bank Favors Slow Recovery in Ruble Rate

MM2206090495 Moscow RABOCHAYA TRIBUNA in Russian 21 Jun 95 p 3

[Report by Bank of Russia Press Service under the "Currency Passions" rubric: "What Does 'Dollar Shepherdess' Tatyana Paramonova Think?"]

[FBIS Translated Text] On 19 June the Bank of Russia held a working macroeconomic conference with representatives of the Russian Federation Government, the Russian Federation State Duma, and commercial banks. The conference was chaired by T. Paramonova, acting chairman of the Bank of Russia.

It was pointed out at the conference that the Bank of Russia shares the concern at the situation which has taken shape in the domestic currency market. It is quite likely that a too rapid, "wholesale" fall of the dollar under the impact of speculative sentiments could have unwarranted effects economically — which would inevitably result in a new currency crisis. Today the interventions of the Bank of Russia are aimed not at supporting the ruble but, strange though it may seem, at slowing up the dollar's fall.

Since the beginning of 1995 positive changes have started to become apparent most clearly in Russia's money-credit sphere and laid foundations for further consistent strengthening of the Russian ruble's purchasing power. The money supply increased just 9.7 percent during the first quarter — which corresponds to an average monthly rate of 3 percent.

The first quarter's successful results were determined by the ending of the government's direct granting of credit to priority sectors of the economy by means of inflationary emission by the Bank of Russia (with the exception of small short-term credit to the budget in the sum of 3.475 trillion rubles to cover the gap between expenditure and revenue). The Bank of Russia has also reacted flexibly and promptly to any negative deviations in the money-credit and currency spheres. Thus, under conditions of the threatened destabilization of the money market in January this year the Bank of Russia took principled, albeit unpopular measures to curb the increased pressure of the ruble supply on the currency market.

All this made it possible to strengthen the positions of the Russian ruble with regard to foreign currency and to start a process of regulated dedollarization of the economy.

The refinancing rate has now been lowered to 180 percent, and consultations are being held on the question of easing the policy of holding an obligatory reserve. The currency reserves have been significantly replenished, and conditions are gradually being created for the reinstatement of the domestic investment cycle.

Foreign Trade Turnover for Jan-May 1995 Reported

MM2206093195 Moscow IZVESTIYA in Russian 21 Jun 95 p 1

[BIZNES-TASS report: "Russian Foreign Trade Increases"]

[FBIS Translated Text] In the period January-May 1995 Russian foreign trade turnover, including unofficial trade carried out by individuals, stood at $46.9 billion, which is 15 percent up on than the figures for the same period last year, BIZNES-TASS was told Tuesday [20 June] by the Russian Federation State Committee for Statistics.

Chubays on Need To Focus on Improving Economy

LD2106232695 Moscow INTERFAX in English 1856 GMT 21 Jun 95

[FBIS Transcribed Text] Moscow, June 21 (FIA-INTERFAX) — The Russian government's answer to the attempts by certain political forces to destabilize the situation in the country must be more focused work on improving the country's economy, First Deputy Prime Minister Anatoliy Chubays said Wednesday.

Commenting on the no-confidence vote at an expanded collegium meeting in the State Property Committee, he emphasized that "today's parliamentary event is a result of political games by some forces which will use any opportunities to destabilize the situation, while the tragic events in Budennovsk served as a pretext for today's games."

Commenting on Russia's economic situation, Chubays noted that 1995 "was crucial in the country's financial and industrial sectors." In particular, this year saw a growth of 1% in the first half of the year rather than a decline in the country's industrial output for the first time in the last five years.

According to Chubays, June inflation will go down 3 times against that of January. The Central Bank's hard currency reserves have increased as the ruble has gained strength. "The government is fulfilling its task to make the Russian ruble pass from financial and currency transactions to production," he remarked.

At the same time, Chubays admitted that the federal budget was fulfilled by only 82% in the first quarter of 1995 (in 1994, by 65%-70%). Among other reasons, Chubays named the IMF's postponing of its loan from the first to second quarter and the small revenues from privatization.

According to Chubays, the budget will be fulfilled by 90% due to the lack of revenues from privatization as well.

In this context, Chubays called on territorial privatization offices to boost decentralization and sell the shares of 7,000 privatized businesses by the end of 1995.

Specialized Oil Exporters To Become Extinct

MK2106104095 Moscow KOMMERSANT-DAILY in Russian 21 Jun 95 p 2

[Report by Konstantin Levin under the "Oil Export" rubric: "Administrative Control as a Manifestation of Liberalization"]

[FBIS Translated Text] The government has won kudos from international finance institutions, in particular, for oil export liberalization, a process that was due to have been completed with the abolition of the institution of specialized exporters starting from 25 March 1995. The customs service, however, was swift to come to the defense of currency control interests — the State Customs Committee issued an order extending the registration of oil exports via specialized exporters for another three months. But extending the life of dual decisions indefinitely is a risky business — the IMF and the World Bank are not asleep. Yesterday's meeting of the Commission on Current Questions stated that the era of specialized exporters would end 25 June 1995.

The show of liberalizing oil exports crowned with the exposure of its tricks was reported in yesterday's KOMMERSANT-DAILY. The latest meeting of the Commission on Current Questions, however, gave this subject a new lease on life. Moreover, it couldn't do without a small sensation. It is well known that the president eliminated the institution of specialized exporters in a March edict, while the State Customs Committee adjusted it somewhat and prolonged the specialized oil exporters' life for another three months. Notably, this decision passed three months ago was not made public until yesterday's commission meeting. Thus the official regulators of the key currency earner among Russian exports received yet another pause in order to decide definitely on the question of who will be given access to export oil pipelines and how they could be controlled. This is a risk worth taking. According to the Fuel and Energy Ministry, during the first five months of this year oil exports grew by 2.7 million tonnes against the same period last year to reach 47.8 million tonnes, or $3 billion in hard currency. Moreover, budget revenues generated by oil exports have already reached $960 million, which exceeds a corresponding figure for all of 1994. So significant a rise in the budget's hard-currency revenue is attributable to climbing oil prices on the world market and a cancellation of foreign trade preferences for producers.

The Fuel and Energy Ministry, defending the producers' interests, continues to keep pure traders away from export oil pipelines. According to Anatoliy Fomin, first deputy fuel and energy minister, who also addressed the commission meeting, currently oil producing enterprises account for virtually all oil exports. On 25 June, however, the State Customs Committee order that gave the specialized exporters a new lease on life will no longer be valid, and customs will start clearing oil exports on the basis of the Fuel and Energy Ministry's list that already features 179 enterprises, traders included. The new system of state regulation will not take final shape, however, until the government approves the mechanism of ceding the right of access to oil pipelines. If this mechanism turns out to be workable, the number of new "specialized" oil exporters can be slashed for the sake of currency control.

International Affairs

Kuchma Concerned Yeltsin Might Cancel Kiev Trip

LD2206082995 Kiev Radio Ukraine World Service in Ukrainian 0700 GMT 22 Jun 95

[FBIS Translated Text] Ukrainian President Leonid Kuchma hopes that the taking of hostages in Budennovsk and the events connected with Chechnya will not influence the timing of President Boris Yeltsin's visit to Kiev. He said this during an interview with journalists in Samarkand, Uzbekistan, yesterday after ending his official visit to this country. Boris Yeltsin has many advisers who will look for a reason to prevent him travelling to Kiev, Leonid Kuchma said. At the same time, in his opinion, after Sochi there are no grounds for delaying the visit. This was a report from INTERFAX-UKRAINE.

Changes to Conventional Arms Pact Clauses Urged

WS2206082795 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 15 Jun 95 p 3

[Article by Hennadiy Mykolayiv: "Ukraine Cannot Ensure Its Security. Because It Is Unable To Deploy Troops at Its Own Discretion"]

[FBIS Translated Text] It has already been three years since the Treaty on Conventional Armed Forces in Europe [TCAFE] became valid, which launched the process of disarmament. The results of the first stage of the implementation of the treaty indicate a conscientious approach by Ukraine and other member-states toward meeting the undertaken commitments. Until 1 January 1995, the number of tanks in Europe decreased by more than 8,000, the number of combat operational vehicles fell by 9,500, that of artillery systems by 3,800, of aircraft by almost 1,000, and the number of attack helicopters fell by 250. Around 2,155 pieces of military hardware were removed from the Ukrainian Armed Forces.

We should remind our readers, that the principal idea of the TCAFE was to lower the dangerous concentration of armed forces along the line of contact between Warsaw Pact and NATO troops. According to this idea, the limits of regions were outlined, where a certain number of soldiers and pieces of military hardware were deployed. For most countries the limits of those regions coincided with state borders. Meanwhile in the Soviet Union, taking its size into account, the limits of these regions approximately coincided with the limits of military districts. The principles of regional division used as a basis for the TCAFE stipulate withdrawal of troops away from the borders [of the former USSR]. To weaken opposition between the two military blocs, comparatively low levels of armaments for flank regions were determined and strictly abided. It was acceptable for the Soviet Union — the only state with powerful armed forces — to limit forces along its flanks.

However, after the collapse of the Soviet Union, the military-political situation in Europe changed dramatically. Certain provisions of the treaty require definite corrections. While the treaty determined a certain balance of forces at the moment of its signature, after the collapse of the USSR and the redivision of its arms between CIS states this balance was disrupted. Being an independent state, which possesses its own armed forces, Ukraine has faced the problem of flank limitations. The substance of the problem is as follows.

According to the treaty, the Odessa Military District — the largest in Ukraine — is regarded as a flank region with strict limitations on conventional arms. Due to our military leadership's lack of foresight, the Kiev Military District was included into the Odessa Military District, and flank limitations were automatically extended onto its territory. In other words, the Odessa Military District, which covers two-thirds of our state's territory, cannot be effectively covered by arms, due to flank limitations. Thus, Ukraine is in practice deprived of the possibility to possess powerful mobile troops, which would allow it to conduct successful military operations.

Under these circumstances, our state is forced to expand its military presence in the Carpatian Military District, situated in the very center of Europe, which has led to serious complaints on the part of our neighbors. Incidentally, those flank limitations instigate Russia to concentrate its troops along the borders with Ukraine and Belarus.

Incongruity between the treaty and the realities of the current situation have led to a paradoxical situation, when among all the member-states only Ukraine cannot deploy its Armed Forces at its own discretion. Thus, the conditions of the treaty disregard Ukraine's interests of actual security, and hamper the process of establishing military structures in the state.

The right to choose one's own ways of providing security is one of the inalienable components of state sovereignty. It is completely obvious, that after the dissolution of the Warsaw Pact and the creation of a number of new independent states on the territory of the former USSR, flank limitations lost both their political and military significance.

Our country has stated many times that it is interested in strengthening and preserving the viability of the treaty. This is true. However, this requires a certain correction of the treaty's obsolete provisions. Disregarding the fact that many people are satisfied with the mass reduction of troops and military hardware, on which untold fortunes are being made, it is essential to find out how to address the issue of flank limitations in a faster and tougher manner.

The opponents of this point of view claim that an avalanche of corrections and new definitions could upset the treaty. We believe that it could be upset by the constant exacerbation of incongruities between the provisions of the treaty and the actual situation. This situation might endanger the future of the treaty. Therefore, if certain measures are not undertaken to update the provisions in light of the new situation, then we can expect a sad future for the treaty.

Aftermath of Sochi Summit, Prospects Viewed

WS2206092395 Kiev KHRESHCHATYK in Ukrainian 17 Jun 95 p 2

[Article by Vyacheslav Pikhovshek and Dmytro Kublytskyy: "The Sochi Summit: Boris Yeltsin's 'Devastating Victory'"]

[FBIS Translated Text] The Sochi summit of the Ukrainian and Russian presidents was to have become an extraordinary event. The reason was quite simple: It was at that meeting, where the Gordian knot trying together a whole pile of problems — known as "the future of the Black Sea Fleet" — was to have been finally cut. Thus, after three years of bilateral discussions, which produced no substantial results whatsoever, the high "parties" finally reached a compromise and, according to Russian President Boris Yeltsin, closed the book on the Black Sea Fleet issue. Almost immediately afterwards, a theoretical-suppositional coloring was added to the agreement: An announcement was made about Boris Yeltsin's possible visit to Ukraine as early as June or July 1995 (and also about the arrangement to hold monthly consultations).

The meeting in Sochi will undoubtedly be analyzed and discussed from different perspectives by numerous experts in the field of Ukrainian-Russian relations. However, no matter what conclusions they draw, one thing can be said at this point: Certain issues were "closed," but their number does not exceed the number of issues the resolution of which remains a distant goal. We will try to explain why.

Meeting

The first result of the Sochi summit was the unequivocal fact: There will be no single Ukrainian-Russian Fleet. In line with the agreement signed by Kuchma and Yeltsin, the division of the Black Sea Fleet's watercraft shall be carried out in the following way: Russia shall acquire 81.7 percent; Ukraine — 18.3 percent. The interpretation of the fact of the Fleet's division as the principal result of the summit is not a coincidence. The division put an end to the activities of certain circles in both Ukraine and Russia, aimed at preserving a single Fleet in the Black Sea. The activities of the representatives of Russia's military establishment stood out clearly against this backdrop. Military circles insisted that it is impossible to divide the Black Sea Fleet and were actively promoting this idea in both Russian society and — by means of the Russian media — in Ukrainian society, as well. I doubt whether we should dwell on the arguments cited by those people, such as "the formed and stable infrastructure," "common interests," "the expansion of Turkish naval presence in the Black Sea Fleet," and the like. Another thing is essential: This aspect, combined with other equally important factors, finally forced Leonid Kuchma to state that the problem of the Black Sea Fleet can be resolved solely by politicians.

Among the major accomplishments of the Sochi summit, an important role belongs to the actual acceptance of the Ukrainian side's stance, the verbal expression of which was presented in Article 2 of the Ukrainian-Russian agreement: "The main base of the Russian Federation Black Sea Fleet... shall be located in the city of Sevastopol." I would like to point out that until recently, Russia used to insist on the following wording: "Sevastopol is the base of the Russian Federation Black Sea Fleet." In the future, it could have become, mildly speaking, a destabilizing factor in Ukrainian-Russian relations. According to certain Ukrainian leaders, it could have been transformed into a "direct threat to Ukraine's sovereignty."

In Article 3, the sides finally confirmed the division of the Fleet's property on a 50:50 basis and pointed out that this issue should be regulated by the governments of the two states and a separate agreement should be signed. However.... This aspect, despite the wording of Article 2, which looks clear and indisputable, raises a lot of questions, that have long been discussed at different levels in Ukraine. I am referring to the Fleet's property, which was "privatized" by numerous commercial structures within the last three years, primarily Russian structures.

From this perspective, lingering with the resolution of the Black Sea Fleet's problem — especially in 1992-1994 — seems to have played a significant role. Ukraine's tactics, particularly those of the Kravchuk administration, in this lingering game could be defined as "if one thing does not work, another one will" and was characterized by permanent dashing into extremes.

Meanwhile Russia's actions — despite their polarity and active nature, as well as the influence of various "undercurrents" on Russia's foreign policy, were successive, and — which is more — persistent. Konstantin Zatulin, head of the State Duma Committee for CIS Issues, probably depicted those actions in the best way, by saying that "lingering with the resolution of the Black Sea Fleet issue is objectively advantageous to Russia."

The logical conclusion is that by resolving the issue of the division of property on a 50:50 basis, Ukraine won formally, but lost in essence. Primarily, because the approved document does not reflect Ukraine's right to the immovable property of the USSR's Black Sea Fleet, located on Ukraine's territory. Thus, the superficially attractive wording of Article 3 can hardly be deemed a victory for Ukrainian diplomats, incidentally, just as the wording of most of the other articles of the agreement (there are 11 of them). When we go back to Article 2, we will see that in accordance with it, Russia's Black Sea Fleet will have the right to use, along with Sevastopol, "...other basing and deployment locations for ships, aircraft, ground troops, and operational, combat, technical, and rear support installations in Crimea." Moreover, Article 8 stipulates that the Russian Federation will participate in developing the socioeconomic sphere of Sevastopol and "other population centers where the Russian Federation Black Sea Fleet is to be based." Although Article 10 of the treaty stipulates that negotiations will continue on determining the legal status of the Russian Federation Black Sea Fleet on Ukraine's territory, a logical question arises: Where will the Ukrainian Navy be deployed? The term used by First Deputy Foreign Minister Tarasyuk — "on Ukraine's territory" — mildly speaking evokes surprise. While the sites of the Russian Black Sea Fleet's stationing in Ukraine were determined more or less specifically (although this issue was not discussed during the bilateral talks), Ukraine still has not determined the sites for deploying its Navy. Why? The answer is easy. It seems that on the eve of the Sochi summit the Ukrainian side had failed to take a distinct stance on the latter issue. As a result, Ukraine on the one hand, accepted separate stationing of the Russian Black Sea Fleet and the Ukrainian Navy. On the other hand, Admiral Bezkorovaynyy, Ukrainian Navy commander, spoken against transferring the Ukrainian Navy Staff from Sevastopol. The issue of the possibility of deploying a part of the Ukrainian Navy in Sevastopol, too, remains on the agenda. This kind of ambiguity may create a dangerous precedent, as a result of which Kiev risks facing a tough dilemma: Either to deploy its ships on its own territory at sites determined by Moscow, or to revive the Black Sea Fleet problem, which would entail all the gloomy prospects and consequences.

Boris Yeltsin's "Devastating Victory"

"Devastating victory" was, naturally, the Russian president's slip of the tongue. In symbolic terms however, he was absolutely right. For Boris Yeltsin, the Sochi summit was a preplanned victory, which, incidentally he badly needed. Why? Everything seems clear: National patriots, with whom the Russian president has recently been flirting ever more openly, can only accept a full transfer of the Black Sea Fleet and its infrastructure under Russia's jurisdiction. In the future, the issue of control over Sevastopol and Crimea in general, could be raised. Meanwhile Russia's leftist forces can only accept the idea of a strong Black Sea Fleet under a joint Ukrainian-Russian command, which would be a step toward a future reintegration of the former Soviet republics. Thus, at first glance Yeltsin seemed doomed for failure.... Under the current circumstances, when the election campaign — and not just for legislative seats — is in full swing, Yeltsin needed only a victory, even a devastating one. He did win it.

Even a devastating victory is still a victory. Boris Yeltsin was aware of that. He also realized that in the 1996 elections he cannot count on support from national patriots, given that they are a very structured force. The chance that he will be supported by leftist forces is even smaller, given Yeltsin's anticommunist orientation in recent years and the currently conducted "unpopular policy." However, Boris Yeltsin also realizes why a defeat is unacceptable for him, even if he does not lose face. Yeltsin's defeat in Sochi would have definitely dashed his hopes for being reelected. As a result of his defeat, he would have also lost support from his party, the name of which is "Russia Is Our Home."

This movement, headed by Russian Prime Minister Chernomyrdin, was formed comparatively recently, however, it demonstrated its teeth immediately after its creation: Almost all officials representing the executive structure at the moment of the movement's creation were automatically listed as its members. Far-reaching plans of this newly created political monster, deemed as rightist-centrist by its leader, cannot be hidden even behind Chernomyrdin's statements to the effect, that the movement's principal goal at the current moment is to participate in legislative elections and prevent "extremists and fascists" from entering the legislature.

There are other indicators — aside from the voices of certain Russian political experts — proving that "Russia Is Our Home" is a party formed "to Yeltsin's order." Among them is the fact that after the meeting with Leonid Kuchma, Boris Yeltsin stayed in Sochi for two more days "to hold talks with Chernomyrdin," as was officially announced. Before the establishment of the movement, Yeltsin's talks with Chernomyrdin had never been held that often or lasted that long.

What Happened in Sochi?

Judging by certain indicators, the Ukrainian side was ready to "surrender" Sevastopol in Sochi. It should be admitted that this "surrender" was solidified in provisions that allow for a two-way or even a three-way interpretation. On the one hand, Yeltsin is celebrating a "devastating victory"; on the other hand, the Ukrainian president, having confirmed in principle Russia's certain "rights" postponed the resolution of the most significant "details" "until a later date" and by "separate agreements."

However, there is something hidden behind the soothing statements of Ukrainian officials to the effect, that "Russia has not been granted anything extraordinary" and that "nothing terrible would happen even if the Ukrainian Navy Staff were to be situated in Kiev." Namely, this is a move by Kuchma's diplomacy. After signing the treaty on joint air defense and the creation of the International Economic Committee, the "Sochi summit" is the Ukrainian president's third step which can be termed as "too close to Russia." After the Dagomys talks, Russia has never been equally close to Ukraine's territory.

While signing the Sochi agreement, President Kuchma must have taken into account the fact that his political opponents might use it against him. Even before the delegation's departure for Sochi, Stepan Khmara, chairman of the Ukrainian Conservative Republican Party, told Kuchma that "those kinds of actions by the Ukrainian president run counter the Declaration on Ukraine's Sovereignty." After the summit, the Congress of Ukrainian Nationalists released a similar declaration. Dissatisfaction on the part of the rightist forces is bound to produce parliamentary wars.

The Ukrainian president however, might have foreseen this, as well as the fact that compliance in relations with Russia had never yielded positive results. Still, the agreement was signed and perhaps, not because L. Kuchma was worried with the influence of the rightist forces in the legislature, particularly since those forces have already passed their prime. It seems that the vague wording of the treaty's provisions allows to solidify a certain status quo between Ukraine and Russia, and facilitates Kuchma's and Yeltsin's task of resolving the situation without "losing their faces." Strictly speaking, Leonid Kuchma did not acknowledge Russia's control over Sevastopol, despite the phrase "...the base of the Russian Federation Black Sea Fleet...is in the city of Sevastopol," and despite the fact that Yeltsin was assured that this "city of Russia's glory" would be granted certain rights. The Russian president acquired a good trump card to fight his political opponents. Meanwhile the Ukrainian president was given a short "break" in complicated Ukrainian-Russian relations.

At the same time, it is quite probable that the future Ukrainian-Russian treaty, which some day will be signed by Kuchma and Yeltsin anyway, and which will include the Sochi agreement, will not be ratified by either the Ukrainian Supreme Council or Russia's State Duma. Certain people in the Ukrainian Supreme Council can derail the ratification of the treaty — those who have sufficient influence and various motives to oppose not only "strategic partnership with Russia," but also Russia's "special rights" to a part of Crimea. For Russia's Duma, Sevastopol may not be enough. Many Duma deputies advocate dual citizenship, expropriation of Crimea, and a revision of Ukrainian-Russian borders. From this perspective, the ratification of the treaty looks very doubtful. Both Yeltsin and Kuchma will have a good opportunity to stage propaganda campaigns against their native legislators: Yeltsin will be able to do that, because "the Duma does not want to acknowledge the city of Russia's glory as a Russian city [as published]," and Kuchma — because "the Supreme Council does not realize the dramatic nature of relations with Russia under the dramatic crisis conditions." If events develop in accordance with this scenario, it may turn out that the Sochi agreement is just another piece of paper in the Ukrainian and Russian archives.

Crimean Reaction to Sochi Agreements Viewed

WS2106091495 Kiev KIYEVSKIYE VEDOMOSTI in Russian 14 Jun 95 p 3

[Report by Tetyana Korobova: "Crimea Will Have No Problems With the Budget. If Russia Pays for Leasing Sevastopol"]

[FBIS Translated Text] Crimean observers concur with one another in the opinion that the Sochi summit did not resolve anything final, though it had political importance. In fact, it summed up all previous arrangements, which had not been fulfilled due to the lack of a mechanism for implementing them. The current agreement is no different: It declares intentions without stipulating ways of fulfilling them, and postpones all specific details until further decisions by the governments, special agreements, and commissions.

Refat Chubarov, leader of the [Crimean Tatars] Kurultay parliamentary faction, believes that the main result of the Sochi summit is that "Ukraine, without losing anything, made it possible for Boris Yeltsin to save face and finally progress toward signing a large-scale treaty with Kiev, by, apparently, removing the Black

Sea Fleet barrier." At the same time, Chubarov agrees that the shadow of the IMF was invisibly hanging over the city of Sochi during the meeting between the two presidents.

Crimean Deputy Prime Minister Andriy Senchenko has assessed the agreement on the fleet practically: "If there is to be the main base, then on what conditions? If Russia paid for the 40,000 hectares of Crimean land occupied by Black Sea Fleet subunits according to world prices, as, for example, Ukraine pays for Russian energy sources, the total would equal Crimea's annual budget, but they have not paid anything this year, as well as last year. On the contrary, the Crimean Government has earmarked 1 trillion karbovantsi for the development of the infrastructure of four Black Sea Fleet garrisons."

Regarding the political aspect of this issue, Andrey Grachev, chief of the Black Sea Fleet press center, has enthusiastically told reporters that "Ukraine and Russia have become strategic partners." However, the question as to against what strategic enemy the two fleets are going to strengthen their defensive capabilities in the southern region of our former common motherland remains open. The unexpected enthusiasm of the individual closest to the Black Sea Fleet Command, who can serve as a thermometer to measure the temperature of [Black Sea Fleet] Commander Baltin's political mood, might seem strange, if one takes into account the Black Sea Fleet leadership's quite skeptical attitude toward the Russian leadership and everything it does. (Let us recall Baltin's strictly political interview). Still, there is nothing strange in the warm propagandistic support of Andrey Grachev (an intelligent and realistic man, though dangerously professional in his field), if one realizes that Russia's military-political leadership will now have to resolve the following personnel issue — who will be the Russian Federation Black Sea Fleet commander. And the press center chief, the right hand of Eduard Baltin, commander of the joint Black Sea Fleet Commander, has apparently inaugurated a campaign for his chief's reappointment.

Everybody knows perfectly well how [Crimean Parliament] Speaker Tsekov has reacted to the latest agreement — positively.

An ordinary cab driver, who drove me from the airport, voiced an opinion, which was not the most unexpected one: "I saw Yeltsin on television. Plans for regular unofficial meetings with the Russian president make me worry about our president's health."

National Affairs

Kuchma Issues Decree on Legal Reform

LD2006222995 Kiev UT-1 Television Network in Ukrainian 1800 GMT 20 Jun 95

[FBIS Translated Text] We have received the text of a Ukrainian presidential decree on measures to implement legal reform in Ukraine. A committee on legislative initiatives is being created under the president of Ukraine. Fedir Burchak has been appointed its chairman. He will also head the Ukrainian codification committee as the coordinating scientific expert center. The president has also resolved to set up a Ukrainian commission for issues of legal terminology. Serhiy Holovatiy has been appointed its chairman.

Inquiry Condemns Prosecutor-General for Abusing Office

LD2106125595 Kiev UNIAN in Ukrainian 0920 GMT 21 Jun 95

[FBIS Translated Text] Kiev — On 21 June, a special committee of inquiry into the activities of the Ukrainian general-prosecutor's office circulated its findings and a relevant resolution. The committee announced that Vladyslav Datsyuk's leadership of the prosecutor general's office is unsatisfactory. In particular, the findings stress that reforms in the prosecutor-general's office resulted only in the unjustified setting up of seven new directorates and 25 departments, an increase in the number of employees with the rank of general, and the artificial establishment of management posts.

The inquiry declares the work of the prosecutor-general's office in combating organized crime and supervising legislation on administrative violations to be unsatisfactory.

The committee of inquiry stresses that half of the crimes committed in 1994 remain undetected and that only 308 persons have been prosecuted out of 2,355 cases that have been investigated. In the committee's view, a large number of cases are being investigated when there are no grounds for doing so.

There are serious shortcomings as regards statements, complaints, appeals from citizens, and formal answers to deputies' questions.

The committee of inquiry confirms that there have been instances of unethical actions on the part of Vladyslav Datsyuk. In particular, when he worked in the prosecutor-general's office in Khmelnitskiy, Chernigov, and Odessa regions he left his apartments to relatives, and while in possession of a privatized apartment in Odessa he received a three-room apartment in Kiev.

The commission stresses that a meeting which took place in an Internal Affairs Ministry holiday home in Kiev Region between Pavlo Kudyukin, former director of the joint-stock company Blasco; Volodymyr Volodin [as received], former chief of Kiev Region's Ministry of Internal Affairs; and Vladyslav Datsyuk after he had been appointed to his post and when the general-prosecutor's office had numerous documents about their crimes was "immoral." The committee considers that the general-prosecutor delayed launching criminal proceedings against and delayed approving the arrest of Pavlo Kudyukin.

According to a UNIAN correspondent reporting from the Supreme Council, the deputies' committee of inquiry has begun giving its report. A break was announced during the session because the rostrum was being blocked by representatives of the right-wing and centrist factions, because they feel that the Supreme Council should not discuss this issue. Vyacheslav Chornovil, faction chief of the Ukrainian People's Movement [Rukh], said that under the constitutional agreement between the president and the Supreme Council, parliament needs the president's approval to appoint or dismiss a prosecutor-general. Parliament Speaker Oleksandr Moroz said Leonid Kuchma is aware that the Supreme Council is discussing this issue.

Accusations of Wrongdoing Refuted

LD2106190095 Kiev UNIAN in Ukrainian 1155 GMT 21 Jun 95

[FBIS Translated Text] Kiev — "In my work I did not permit violations in the carrying out of official duties, there were only shortcomings, but it could not have been otherwise in the present conditions," Prosecutor General Vladyslav Datsyuk said during a Supreme Council session on 21 June. He protested against the decision to temporarily relieve him of his post of prosecutor general by means of a parliament resolution two weeks ago as "this was not envisaged by the Constitution."

Vladyslav Datsyuk refuted all accusations levelled at him by the ad hoc committee of inquiry, in particular, that he had signed forms authorizing the tapping of deputies' telephone calls, had suspended 20,000 criminal cases, and that he had been in contact with the president of the joint-stock company, Blasco, Pavlo Kudyukin, and so on.

Vladyslav Datsyuk called on deputies to look for a reply to the question of whether certain forces in the parliament were against him. The prosecutor general also said: "Let us stop this, because at the moment I am being questioned, but tomorrow I may be questioning some of you."

Further on Prosecutor General's Denials

LD2106212595 Moscow INTERFAX in English 1707 GMT 21 June 95

[FBIS Transcribed Text] KIEV, June 21 (INTERFAX-UKRAINE) — Vladislav Datsyuk denied the accusations made against him by the Ukrainian parliament's special investigating commission in a speech delivered to parliament today.

Datsyuk spoke after the special commission investigating the performance of the Prosecutor General's Office had made known its conclusions. The commission demanded that Datsyuk be dismissed as the Prosecutor General "because of gross violation of his responsibilities."

"It is hard to meet a person who would work without faults. However, there are no reasons to accuse me of failing to perform my functions," Datsyuk said.

He said that during the period of his work as the Prosecutor General about 7,000 police officers had been held accountable for abuse of power, and 136 of them had been punished by court. A total of 412 employees of the Prosecutor General's Office received reprimands, and seven of them were punished by court.

Long-Time 'Contract' Spy Uncovered, Deported

AU2106180995 Kiev URYADOVYY KURYER in Ukrainian 20 Jun 95 p 12

[Report by Volodymyr Zemlyanyy from Dnipropetrovsk: "He Was Shown the Door"]

[FBIS Translated Text] Recently, for the first time in the history of independent Ukraine, a foreign citizen was deported for an attempt to collect secret information, in simpler terms, for spying. The Press Center of Ukraine's Security Service [SBU] Administration in Dnipropetrovsk Oblast, provided URYADOVYY KURYER with some circumstances of the case.

Russian citizen Valeriy Baytter, who had lived in Chisinau, arrived in Dnipropetrovsk with the intention of procuring from "Pivdenmash" [Southern Machine Building Plant] specialists classified documents on tactical and technological specifications for combat missiles. A year earlier, he had commissioned his assistant to go to Dnipropetrovsk with the same task, but that man was quickly detected by Ukrainian special service officers.

As V. Baytter admitted, he had been gathering information on contract for foreign citizens since 1989, when he permanently resided in Russia. Then, there was a visit to the U.S. Embassy in Moscow and trips to Germany, Turkey, and Israel. He sold his new acquaintances the data on the anti-aircraft missile complex and on the laser range-finder used on warships. At the request of a Yugoslav "businessman," the Russian citizen engaged in searching in the CIS for red mercury, phosphoric acid, oil, and ammunition for Bosnian Muslims. The proposal to obtain secret documents from "Pivdenmash," according to Baytter, had come from an Egyptian "entrepreneur." The SBU has reasons to believe that the Egyptian is in contact with the intelligence service of an Arab country.

As Lieutenant General Volodymyr Slobodyanyuk, head of the SBU Administration in Dnipropetrovsk Oblast, said, foreign special services have been increasingly often trying to gain access to our state secrets. Lately, the SBU has thwarted two attempts to create foreign spy cells in Dnipropetrovsk Oblast, and the activity of three Ukrainian citizens who had worked for foreign special services has been uncovered.

Queries Over Black Sea Fleet Agreement

95UM0476A Moscow LESNAYA GAZETA in Russian 15 Jun 95 p 1

[Article by Valeriy Begishev: "The Devil Is in the Details"]

[FBIS Translated Text] President Yeltsin will shortly be heading for Kiev after all, and the long-awaited friendship, neighborliness, and strategic partnership treaty with Ukraine or whatever it is called will, finally, be signed, it would seem. This had until recently been severely impeded by the absence of an agreement on the division of the Black Sea Fleet, but several days ago, meeting in Sochi, Yeltsin and Kuchma negotiated this hurdle, it would seem. In any event, they declared that the "i's" of the problem had been dotted, and the latter, that the "knot has been untied."

If so, fine. As we know, following the disintegration of the Union, its assets were shared, in the main, according to the principle: All that stands (lies, moves, is contained in the interior) on the territory of a former Union republic belongs to it. But the Black Sea Fleet was too big and tasty a morsel, and such significant political and strategic interests of Russia and Ukraine are bound up with it that their confrontation was inevitable and began shortly after the Belovezhskoye Agreement. And politics, what is more, are clearly predominant, it seems to me.

From the purely military viewpoint—unless claim is being laid to a global role, as was the case with the USSR—it is unclear why such a powerful formation (just under 700 ships of various "caliber," not counting those that have already been transferred to the flag of Ukraine) is needed, which many experts pointed out at the very start of the dispute. The Russian admirals argued perfectly soundly while it was a question of Ukraine's requirements, what is more. But as soon as Russia was the issue, a mass of arguments in support of preservation of a powerful naval "strike force" in the region was immediately found.

And this conviction clearly had a political lining. The great-power feeling welled up merely at the thought that what had been achieved down the ages, when the Russian Empire was being established, might be lost, that the country could in the sense of a presence in the Black Sea be put on a level with Turkey, Bulgaria, and Ukraine, and that the opportunity for exerting by this very presence an influence on the policy of neighboring states would be lost. Plus the problem of Crimea, which without the Russian fleet is inevitably destined to become an ordinary Ukrainian province, plus the question of what would be done with the officer personnel, who have become pretty well acclimated in the southern climate, and altogether a mass of difficulties, each of which could seriously complicate the Kremlin leaders' position.

On the other hand, Ukrainian nationalism, which has gained momentum and which simply cannot recognize as normal the fact that the country has been forced—like it or not—to reconcile itself to the presence of large foreign forces on its territory, and this at a time when even the relatively weak Baltic has rid itself of them in a matter of years. The interests of the Ukrainian military, which would like to start out with a meaningful navy, not a squadron put together at random. And also Crimea and the desire, of course, to have done once and for all with the claims of a number of Russian politicians to the return or, at least, the dual status of the peninsula.

Well, what, then—did they ultimately reach agreement?

All would be clear, did the document that was signed not contain a mention of the need for the settlement of some issues, the continuation of negotiations on others.... It is with good reason that diplomats say that the devil is in the details, for it is during the clarification of specific matters that contradictions that could bury an agreement in principle are frequently ascertained. There is ambiguity also. For example, the fleet is based "in the city of Sevastopol," that is, it is not the entire area of Sevastopol that is considered its base but certain points in the city, as it were. The assets of the fleet will be divided in two, the ships, in a ratio of 1:4 in favor of Russia. How, though, can half the assets support 81.7 percent of the fleet?

It remains to be hoped that the most important considerations to which Yeltsin alluded—the strategic partnership of the two countries—prevail to the extent that they extinguish all possible disagreements.

Donbass Political Tensions Described

954F2529A Kiev MOST in Russian 5-11 Jun 95 No 22, p 7

[Article by Aleksandr Mishchenko: "Volodymyr Hrynyov at the Donbass Battlement"]

[FBIS Translated Text] Two events of last week especially stirred up public opinion among Donetsk residents—the visit of the presidential adviser on regional issues, Volodymyr Hrynyov, and the latest activation of the leaders of the miners movement on the eve of serious showdowns with Ukraine's coal sector. Even the arrival in Donetsk of U.S. Ambassador William Green Miller and the oblast's official transfer of American medical equipment to the military hospital did not evoke such interest on the part of politicians, journalists, and bureaucrats as did the arrival of Volodymyr Borisovich.

Such attentiveness to Hrynyov can be explained not as sympathy for a politician who in his day collected a large number of votes in the oblast in the first presidential elections thanks to the support of many leaders of the workers movement, so much as his proximity to L. Kuchma and to his new official status.

The leader of the Interregional Reform Bloc did not conceal the fact that he had come to his "beloved region" on a fact-finding mission, in order to learn what were the attitudes in Donbass to the basic theses and provisions of the president's Concept for a New Regional Policy. At a meeting with journalists, he did not skirt his own vested interest (read: and the president's also) in the problems of resolving the crisis in the coal sector, which gave rise to the opinion that the powers of the presidential adviser were wider than had previously been thought and that a direct connection existed between the above-mentioned two events of such concern to Donetsk residents.

Internal conflicts in the coal sector have presented Leonid Kuchma with the question of whom to authorize to resolve the painful energy problem. A year ago, preference was given to a simplified variant, according to which the "ministerial" status of the sector was resumed, but such steps stopped the fall of coal output only for a few months. It is interesting that no one now is simply demanding to be given money. Even the coal "elite" has realized over what kind of precipice both the sector and the elite with it are hanging.

The coal "generals" and leaders of the mine organizations are proposing various programs for getting out of the crisis. But on the whole, the "elite" has split into two parts: the supporters of the program of Minister of the Coal Industry Viktor Poltavets and the supporters of Yuliy Ioffe, chairman of the Commission on Questions of Structural Reorganization of the Coal Industry under the Office of the President of Ukraine. The opposition's method of playing havoc is already beginning to revert to the plane of 1993, when in like manner at the miners' hands, the newly fledged Israeli Yukhym Zvyahilskyy was seated on the prime minister's throne.

As at that time, almost all of the leaders of the strike and trade union movement have been drawn into the conflict—most on different sides of the barricades. The Donetsk Oblast council of trade unions (the regional structure of the Federation of Trade Unions of Ukraine) on 26 May conducted an expanded meeting of active trade union members, where, side by side, two questions were being resolved: people's summer health improvement and...."the elaboration of actions of reaction to the irresponsibility of the government and the president" (the style is that of the original). The Central Committee of the Trade Union of Metallurgical and Mine Workers of Ukraine demands in its appeal "the immediate formation of a Cabinet of Ministers that is capable of functioning," and it declares, "in the event of noncompliance with the demands advanced, the trade unions are prepared to use collective actions, up to and including the initiation of an all-Ukraine referendum on the early retirement of the president of Ukraine and on the dissolution of the Supreme Council."

Something on this plane is already beginning to be put into effect. Thus, at the latest session of the joint commission of the Regional Council of Donbass Strike Committees, the trade unions, and the labor collectives created on 11 May in Krasnyy Luch at a meeting with V. Poltavets, a joint Charter and proposals close to the minister's program were adopted, and it was decided on 27 May to send 350 miners to Kiev by bus to carry out various protest actions and to exert pressure on the power structures. Viktor Derzhak, chairman of the trade union of coal industry workers, and Viktor Khara, chairman of the Donetsk Oblast Trade Union Council, also were initiators of the trip. Who is paying is not difficult to guess.

Probably, V. Hrynyov did intend with his visit to Donetsk to head off an undesirable development of events. But it will be difficult for the president's team to come to agreement with the "irreconcilable opposition" among the coal miners, and not only that. Even the adviser's phrase about how "in the state's regional policy, there exist several painful questions, but in today's situation, Donbass, and not Crimea, occupies first place," cannot inspire the absolute faith of the local radicals—especially since later on, Volodymyr Borisovich declared: "As for Donbass, here it is extremely important to come up with ways to resolve the problem of coal. The coal sector is, on the one hand, Ukraine's only serious strategic energy source, and on the other hand, it is an excessive burden, a brake on the development of the state's economy. It has fallen seriously behind the advanced technologies and the requirements of the time, and enormous expenditures are needed for its reformation, which today we are objectively not in a position to afford."

Not everything turned out well for V. Hrynyov with the Concept for a New Regional Policy, either. Bureaucrats and certain politicians wanted to hear "authorization" for immediate regional independence, and words on the necessity for a referendum like Lukashenka's, and instead they got the opposite questions: "Do we need such a referendum, and what negatives and what positives will it bring us?" "Did the experiment with the economic independence of the three oblasts bring Donbass much?" "The new regional policy," added V. Hrynyov, "is a concept for building a new kind of state, and not a dubious experiment for some one region. Ukraine must become a regionalized state on the model of France or Spain."

Here yesterday's hero of Donbass can hardly please the communists or the Civic Congress, for whom regionality is a leap to the old-new union, or the Labor Party, for whom regionality is absolute independence from any controlling bodies in Kiev. The above-mentioned parties just recently declared that they do not plan to leave for the summer political recess, and they are prepared to fill the political vacuum being created. The Donetsk deputation in the Supreme Council is prepared to firmly uphold the opinion that "today's complicated situation in the country obligates politicians to renounce the European tradition of summer recesses."

Thrown by the president at the Donbass battlement, it is possible that Volodymyr Hrynyov has not only failed to lessen, but has even increased the number of "bullets shot" at Leonid Kuchma from that region. But the result could hardly have been otherwise—there are too many forces in Donetsk inclined to "war" either with the center or with the reforms, or with both together.

Expert Argues Chernobyl Plant Should Continue

AU2106140895 Kiev NARODNA HAZETA in Ukrainian No. 22 (203) Jun p 4

[Article by V. Batiy, candidate of physico-mathematical sciences, member of Ukraine's Democratic Party National Council: "How Americium Has Gone on a March Against the Ukrainian Nation"]

[FBIS Translated Text] It has now been nine years since the Chernobyl tragedy. Unfortunately, instead of drawing constructive conclusions for the future, making use of advanced technologies, and finally, simply earning money to eliminate the consequences of the accident, many people are trying to saw off one of the thin branches in that part of our economy that still functions and is profitable. I mean atomic power engineering. Some people are trying to gain political capital out of this, while others are fanning passions because they do not understand the problem. It is worrying that the national democratic press also covers this problem in a very biased manner and does not in fact give specialists or simply opponents of "anti-atomic" hawks access to its pages.

One of the latest examples of such a subjective analysis is the article "After Chernobyl" (CHAS. TIME of 28 April 1995) in which a doctor of... biological sciences explains Chernobyl's numerous problems in the area of nuclear physics to its readers. Even a good physicist, not to mention an nuclear expert, cannot help smiling when reading much of this "research," although it may seem quite serious to the layman.

"We Are Being Convinced That the Level of Radioactive Contamination is Going Down, while in Reality the Intensity of Radiation is Increasing. From Year to Year and Manifoldly" — this is the title of the first section. In reality, however, the radiation has decreased many times since the accident and continues to fall. Yet, one of the beta-emanating nuclides — plutonium-241 — transforms into alpha-active americium as a result of beta-decay. That is why, alongside the decrease of overall activity, one of its types — alpha-activity does increase somewhat and that is why "americium was increasingly encountered." It is known that, in this process, no "plutonium-241 has accumulated." On the contrary, it has disintegrated. Even if one considers alpha-activity alone (it is 1 percent of the overall activity), it does not "grow manifoldly from year to year," but will increase from 0.16 megacuries to a maximum of 0.24 megacuries in the year 2060 and will then start decreasing.

In the same vein, the article lists a series of "discoveries" that would be worth a Nobel Prize (had they been proved), for example, about the erroneous nature of the theory of radioactive decay "invented" and "adopted at face level by nuclear specialists," about the "majority of substances" that, under the effect of radionuclide radiation, "start radiating themselves" or about the well-known carbon-14 (the carbon method for determining the age of archaeological finds) with a half-life of 5,730 years that, it turns out, will in the future "increase its radiation a hundredfold," and so on. Besides, references are made exclusively to the 1993 Mendeleyev Congress in Minsk and statements by Russian scientist Yu.

Fedyakov, whereas the Chernobyl problem is dealt with by hundreds of scientists in different countries, and specialized conferences are held on a regular basis, including annual conferences in Kiev. At the latest conference — "Chernobyl-95," which was held in March, everybody could familiarize himself with the true state of things at the "Ukryttya" [shelter] facility.

For some reason, the article refers to the natural reactor in the Oklo area of Gabon known to all scientists (incidentally, it is simply a self-sustained nuclear reaction that has been under way in the uranium deposit over centuries since the times before man came into being and is evidence of the fact that even the reactor has been copied by people from nature) as an "atomic explosion." All of these "arguments" are being reinforced by emotional and unsubstantiated statements in the spirit of the "cold war" of the period of stagnation [under Leonid Brezhnev]: "The radionuclides have gone on the march. Plutonium, americium, curium, and even neptunium have drawn their bowstrings at the Ukrainian nation, threatening to shower it with myriads of poisoned arrows," or "in their (Ukrainian atomic specialists' — V. B.) opinion, almost the entire Ukraine has become the best dumping site for radioactive waste," or "the atomic clan formed during Soviet times... has launched a counterattack," and so on.

Unfortunately, such articles are not isolated, even though the present one exceeds others in the level of its odiousness. However, even such a respectable academician and political figure (but not an nuclear specialist) as I. Yukhnovskyy allows himself to resort to not quite accurate statements such as: "In order for the magma to cool down, water had to be poured on it all the time"; "So far, nobody knows when precisely the critical moment will occur, but there is no doubt that it will, eventually, occur"; "Everything that used to live there has already died. New animals walk in there and perish," and so on ("Alarming Processes Within the 'Sarcophagus'" — UKRAYINSKA HAZETA No. 9 of 27 April 1995). However, specialists are well aware of the danger posed by the presence of water beneath the "sarcophagus," and nobody tried to cool down the magma; simply when samples were taken with the help of drilling, the implements were cooled down with neutron-absorbing solutions. Not a single specialist asserts that the "critical moment" is bound to occur, but theoretically, there exists a small probability that a chain reaction could ensue with maximum radioactive discharge over tens of meters. Regarding "animals," scientists who take samples from that same "red" forest are saying that so many wild boar have bred there that sometimes it is even frightening to go there. Ihor Rafayilovych [Yukhnovskyy] visited Chernobyl at the beginning of the year, attended the annual conference of the Interbranch Research Center "Ukryttya," even delivered a speech there, and had a chance to talk to leading scientists who represented other countries and not only Ukraine, but, for some reason, he hasn't touched upon these matters.

It is not just political motivations, but also emotions that prevent democrats from objectively considering the truly difficult questions of eliminating the consequences of the Chernobyl accident, and developing atomic power engineering, or from coming to specialists for assistance. One often hears indignant statements such as "So many of my relatives and friends have been affected, and now some people are trying to defend the Chernobyl and other atomic plants..." However, relatives of those injured in car accidents that resulted from blatant violations of traffic rules do not go and squash all automobiles!

Are there not political forces in our country that would take Ukraine's atomic power engineering under protection, considering our considerable uranium and zirconium reserves, and would not permit our even greater dependence upon Russian gas!? We should not forget that Russia is already building a gas pipeline across Belarus. After it is commissioned, Russia's dependence upon Ukrainian gas pipelines will markedly diminish, and the possibility of putting pressure on Ukraine will grow. Ukraine's power engineering program must be based upon the development of power-saving technologies and a reduction in the use of gas for domestic needs (mass transition to electric stoves and water heaters) and at thermal plants. It must be oriented toward an increase in electricity exports and toward obtaining the so much needed hard currency, and should not seek to suppress atomic power engineering. Well, we have evacuated our tactical missiles — did somebody thank us for that or pay for them? If we close down the Chernobyl AES, everything will remain the same, but we will weaken our economic rather than military potential.

Democrats are being further tempted by the "alternative to the Chernobyl AES" (NARODNA HAZETA No. 15, April 1995). The joint-stock company "Kontsern Enerhiya" [Energy Concern], campaigning for the replacement of the Chernobyl AES with steam-gas electric power plants (PGES), maintains that "deliveries (of gas for the PGES — V.B.) are guaranteed for many years to come," but does not explain where Ukraine will get additional hard currency to pay for it. We are already giving away our supermodern bombers and underground gas storage facilities at a very low price to repay the debts. What next? That same "Kontsern Enerhiya," while promising to build in Slavutych cheap underground atomic thermal electric power plants that work on highly enriched uranium or even plutonium, again "forgets" to add that every additional percentage of enrichment drastically raises the cost of nuclear fuel. As a result, what is cheap for Russia, where reserves of weapons-grade uranium and plutonium have accumulated, will be very expensive for Ukraine. Unlike in the case of conventional AES's, nobody will supply us with highly-enriched fuel even for money, in view of the Nuclear Nonproliferation Treaty.

At present, it is not americium, but the economic collapse and related loss of independence that threaten the Ukrainian nation. Therefore, atomic power engineering may become one of the pillars in Ukraine's true rebirth.

Daily Criticizes G-7 on AES Closure Funding

AU2106150795 Kiev HOLOS UKRAYINY in Ukrainian 20 Jun 95 p 6

[Commentary by Valentyna Pysanska: "Nothing Was Said About the Chernobyl AES"]

[FBIS Translated Text] The meeting of the G-7 leaders in Halifax, where, among others, the question of financing the closing down of the Chernobyl Atomic Electric Power Plant should have been discussed, became a "festival" for the Russian delegation headed by President Boris Yeltsin, even despite the massacre perpetrated by "warriors of Islam" in the quiet provincial town of Budennovsk. The G-7 leaders condemned terrorism as such, having for some reason forgotten about the roots from which the tragedy had grown.

Thus, the Russians made full use of their participation in this prestigious meeting.

I do not know, perhaps, because the deaths of innocent hostages were a fresh wound on the body of mankind or, maybe, because this drama does not require any capital investments from the world community, the Chernobyl disaster was not in the limelight. As a result, the problem that affects not just Ukraine, but all those who are on the same hazardous boat, has remained "off screen." Of course, we may declare that, in this case, Ukraine is returning to its previous obligations, but this will do no good to anyone: We will again be left face to face with our Chernobyl problems. Meanwhile, the National Commission for Radiation Protection of the Population reported this: More than 2 million persons reside on the 4.5 million hectares of the contaminated territories. Unless the Chernobyl AES is closed down, is there a guarantee that their number will not grow?

In Halifax, the mighty of this world decided that the question of closing down the Chernobyl AES is not a pressing one....

Coal-Fired Generators Proposed for Chernobyl

LD2106171495 Kiev UNIAN in Ukrainian 1815 GMT 20 Jun 95

[FBIS Translated Text] Kiev — In accordance with a presidential instruction, Ukrainian and foreign experts who have joined an international consortium to replace the capacities at the Chernobyl nuclear power station will begin working on a concept to replace Chernobyl's generating sets, UNIAN news agency reports quoting Ukraine's Ministry of Power Engineering.

The organization has been set up at the initiative of Siemens AG as an alternative to the organization created in accordance with a memorandum on international cooperation to replace the capacities at the Chernobyl nuclear power station signed on 27 May by Ukraine's Deputy Prime Minister Serhiy Osyka and the president of the international conglomerate ABB.

The following companies have joined the consortium: Siemens AG, (Babcock-Launtjes) from Germany, Power Gen from Britain, Tractebel NV from Belgium, Ansaldo SPA from Italy, and Electricite de France. The consortium considers it inexpedient to construct a gas-fired generator because Ukraine could face problems with obtaining gas. Instead it has proposed replacing Chernobyl generating sets with fully modernized coal-fired generators, the agency said.

Missile-Testing Equipment Damaged by 'Criminals'

LD2106231295 Moscow INTERFAX in English 1834 GMT 21 Jun 95

[FBIS Transcribed Text] Dnepropetrovsk (Ukraine), June 21 (INTERFAX-UKRAINE) — Unidentified criminals put missile-testing equipment at the Southern Machine-Building Plant in Dnepropetrovsk out of action by cutting 420 gilded jacks from it.

The plant's deputy chief engineer Valentin Kravchenko told INTERFAX that repairing the equipment would take at least a month and a half.

Some of the jacks cost as much as about 500 million karbovantsy (over $3,000) each.

According to Kravchenko, the plant has offered plenty of opportunities for stealing lately and "thefts in the sections are committed almost every day." Security at the plant is weak due to lack of funds.

The average salary at the plant is about 3 million karbovantsy ($20) a month.

Officials Attend Ministry Conference on Crime

*WS2206101795 Kiev INTELNEWS in English
2226 GMT 21 Jun 95*

[FBIS Transcribed Text] Zaporizhia, June 17—More than 200 oblast officials attended a conference discussing problems of the criminal executive system. The Internal Affairs Ministry penitentiary system heads conducted the conference last week in Zaporizhia.

The conference participants visited two institutions of the criminal executive system and an exhibition of products manufactured in the penitentiary system Zaporizhia oblast enterprises. Practical lessons were conducted at the conference.

Militia Lt. Gen. Oleksandr Tereshchuk, Deputy Internal Affairs Minister, and Internal Service Lt. Gen. Ivan Shtanko, Punishment Execution Department chief, participated in the conference.

Economic Issues

Government Concerned Over Coal Miners Demands

*WS2206092795 Kiev INTELNEWS in English
2226 GMT 21 Jun 95*

[Report by Olha Burda, "Special to IntelNews"]

[FBIS Transcribed Text] Donetsk, June 19— Despite a commitment by President Leonid Kuchma to a package aimed at helping Ukraine's coal industry and alleviating problems faced by miners, government officials admit they are unsure of how to finance the measures.

Union officials, for their part, insist they remain ready to call for strikes.

Kuchma at the beginning of the month signed a 17-article protocol promising coal miners that a number of their demands would be fulfilled by June 15, including the partial settlement of owed March and April wages.

Also included are an increase in payments for the industry's urgent needs and an increase in tax on imported coal.

But some articles of the protocol remain unsolved, particularly those connected to state financing, the formation of a stabilization fund for the fuel energy complex, and centralized investments in the coal industry.

"The present state policy concerning the coal industry cannot be called anything but genocide," said Leonid Kolesnyk, Coal Industry Engineer and Technicians Trade Union chairman. "The government is clearly turning away from the miners' troubles. The attempts of leaders to strangle the coal industry have never been so apparent. The problem went out of the limits of Donbas long ago and should be solved on the state level."

Parliament Deputy Yuriy Boldyrev said the demands of the miners, however justified, fly in the face of financial realities in Ukraine. According to Boldyrev, to execute these demands, the state has to allocate KBV300 trillion by year end; a total equal to 40 percent of the state budget.

Because the state cannot fully execute the miners' demands, Boldyrev said he predicts the miners will respond within two to three months.

"The menace of a strike is more probable this year than it was in the previous one," he said. "Its consequences will be a drop in coal production and a drastic reduction in electric power generation and chemical production. And this means that a cold winter and collapse are in store for Ukraine."

Official Expects New Taxes To Replenish Budget

*AU2006185495 Kiev MOLOD UKRAYINY
in Ukrainian 16 Jun 95 p 1*

[Interview with Ukrainian Deputy Finance Minister Volodymyr Matviychuk by Volodymyr Oliynyk; place and date not given: "We Will Try To Prevent a Social Explosion"]

[FBIS Translated Text] [Oliynyk] My first question, Mr. Matviychuk, is about the present situation with payments of remuneration for labor to those people who work at so-called budget enterprises.

[Matviychuk] Unfortunately, the situation is complex, and budgets at all levels are indebted to the state and to the workers of budget institutions. The indebtedness resulted in failure to pay teachers their April salaries. Today this debt has reached over 11 trillion karbovantsi [K]. However, in accordance with the presidential edict and also on the commission of the Finance Ministry, we are doing everything to clear the debt. In addition, we channel all current expenditure coming to the budget to this end. I think that we will improve the situation somewhat in the very near future.

[Oliynyk] This is, however, hardly reassuring for those who are going on a summer vacation.

[Matviychuk] With regard to vacation money for state-school teachers and teachers at institutions of higher learning, it is a serious problem that aggravates the situation. Since June, we must pay people over K15 trillion. I hope that the Finance Ministry will mitigate this problem.

[Oliynyk] How about miners who recently visited Kiev?

[Matviychuk] Here, the situation is as follows: The budget does not owe the miners anything. The budget for the current year does not envisage any subsidies for miners, and we have paid the miners everything necessary. Problems with wages in the coal industry arose in connection with the fact that coal consumers do not pay for the fuel they consume. This is the main factor that affects the miners' wages.

[Oliynyk] Mr. Deputy Minister, where will the Finance Ministry get the money, as budget receipts are catastrophically small.

[Matviychuk] It is necessary to revise the existing taxation system and once again look where we are losing and where it is possible to save on something. It is necessary to revise the size of the customs duty so that businessmen importing goods to Ukraine would somehow share their profits with the state. It is necessary to revise excise rates that are in effect in our country and to see to it that the budget gets its due in full — this is an extremely serious problem. There are many private enterprises that do not in fact contribute anything to the budget, and I think it is necessary to set some fixed tax for them and establish a more stringent control over the receipts to the budget.

The crisis of nonpayments and the poor production discipline in Ukraine have reached their apogee. One would like to believe that after the formation of a new government headed by Yevhen Marchuk, highly skilled professionals will be found in Ukraine who will prevent such situations from taking shape, especially in the wages sphere. Professor Veniamin Sikora, doctor of economic sciences, believes that the problem of nonpayments will be resolved by way of implementing modernized state power that would ensure unity of social, economic, and national-cultural revival of Ukraine.

In his opinion, the problem of nonpayments is primarily a consequence of the state economic incompetence and also attempts to resolve this issue in a narrow sectarian manner, in a nonprofessional way that excessively pampers the exaggerated selfish economic appetites.

Bill Liberalizes Trade in Raw Materials

WS2106114595 Lvov INFOBANK in English
1000 GMT 21 Jun 95

[From the "News Service" feature]

[FBIS Transcribed Text] On June 20, the Supreme Council of Ukraine passed a bill in the first reading, intended to liberalize foreign trade in customer-provided raw materials. In contrast to a two-years-old government decree which still regulates such business transactions, the new bill classifies energy sources as raw materials, lifts restrictions on the number of processing stages of customer-provided raw materials, and the number of transaction operators. The new bill allows to draw promissory notes on added value and excise taxes and stipulates the exemption of customs duties while importing and exporting such materials. Last year more than US $645 million value of customer-provided raw materials were imported to Ukraine and only US $66 million exported, including US $318 and $50 million from and to the CIS states, respectively.

Joint Venture Formed for Satellite Launches

WS2206092295 Kiev INTELNEWS in English
0009 GMT 22 Jun 95

[FBIS Transcribed Text] Kiev, June 20. The U.S. Boeing corporation, Norwegian KvarNor, Russian Energy association and Ukrainian Pivdenne scientific and industrial association have formed a joint scientific-technological company. The company will construct a floating launching place, the Ukrainian Space Agency reported Tuesday [20 June].

The project is being worked out by many countries. The project provides commercial launching of satellites from the Pacific Ocean.

The Zenith rocket was chosen as a base for carrying satellites, said National Space Agency Deputy Director Valeriy Komarov. "Although the rockets should bring the satellites to a 36,000-kilometers orbit, we should work to make the rocket suitable for the project," he said.

According to Komarov, the U.S. side will be responsible for marketing researches and clients; the Norwegian side will build the floating base; and the Russian and Ukrainian sides will take care of the missile. The first launch is planned to be carried out in 1998.

Company Claims Superior Plane Engine Technology

WS2106122795 Kiev KIYEVSKIYE VEDOMOSTI in Russian 16 Jun 95 p 2

[Report by Valeriy Polyushko: "Not Only People's Deputies but Also Western Special Services Are Interested in 'Motor-Sich'"]

[FBIS Translated Text] The scandal with selling shares in the "Motor-Sich" company, which produces aircraft engines, is again on everybody's lips. A parliamentary commission and the Cabinet of Ministers is investigating this matter. It proves, however, that "Motor-Sich" is drawing more than just the attention of people's deputies. As we have learned from well-informed sources, employees from the Ukrainian Security Service's Zaporizhzhya Oblast Directorate have recently discovered that representatives of 12 countries have attempted to secure secrets concerning designs of aircraft engines, drafted by "Motor-Sich" designers and engineers. Western companies specializing in this area are demonstrating particular persistence and interest in the work of Zaporizhzhya aircraft engine builders. This can be easily explained. According to one of the company managers, "the West needs at least 10 years to reach the level of aircraft engine design we have already achieved."

Belarus

Lukashenka Welcomes PRC's Premier Li Peng

LD2106180895 Minsk Radio Minsk Network in Belarusian 1600 GMT 21 Jun 95

[FBIS Translated Text] Li Peng, premier of the PRC State Council, arrived in Minsk today on an official visit. Here is our correspondent Svyatlana Ilyushenka with details.

[Ilyushenka] Belarus President Alyaksandr Rygoravich Lukashenka, Prime Minister Mikhail Mikalayevich Chyhir, and heads of ministries and departments of Belarus took part in the official welcome ceremony for the guest. The purpose of Li Peng's official visit is to exchange thoughts with the president of Belarus on various issues concerning the further development of bilateral relations and important international problems which represent mutual interests and to give a new impetus to the development of the relations of friendship and cooperation between the two countries in different spheres. It is noteworthy that the Belarusian president's successful visit to China at the beginning of the year brought the relations between the two countries to a new level. This trend will continue now. Here is what President Lukashenka and Premier Li Peng told journalists at the Minsk-2 airport:

[Begin Lukashenka recording, in Russian] Some time has passed, quite a lot of time, since meeting in China with Premier Li, and tomorrow, during a meeting with him and during Premier Li's negotiations with our prime minister, we intend to discuss the way in which our agreements are being implemented. I must say sincerely that this person keeps his word. He said back then in China: I will come to Belarus. Here he is in Belarus. We have been expecting such an important guest for a long time. You must agree that in China in general they value their visits and the Chinese do not travel without a purpose. Therefore we are very glad and grateful for this visit; this is the proof that our mutual interests are great, we have something to trade with. We have similar ideologies, therefore it is easy for us to negotiate with the Chinese side. [end recording]

[Begin Li recording, in Chinese fading into Belarusian translation] We will talk about the relations between China and Belarus and about what we think. [end recording]

[Ilyushenka] The program of the official visit of Premier Li includes today's visit to the PRC Embassy in Minsk. Tomorrow Li Peng and Alyaksandr Lukashenka will speak tete-a-tete. In the evening Li Peng will hold negotiations with Mikhail Chyhir, after which it is planned to sign bilateral documents. Li Peng will lay a wreath at the Victory monument. The official visit of the PRC State Council premier to Belarus will end on 23 June.

PRC Daily Interviews Lukashenka

WS2006130095 Minsk BTK Television Network in Belarusian 1830 GMT 16 Jun 95

[Interview with President Alyaksandr Lukashenka by an unidentified GUANGMING RIBAO correspondent; place and date not given — recorded in Russian]

[FBIS Translated Text] [GUANGMING RIBAO] Thank you very much for the fact that I have been given such a possibility today. Thank you. [as heard]

[Lukashenka] In my turn, I would like to thank you for granting me a possibility to address the Chinese people from the pages of this very popular newspaper in the PRC; to address the people who are very friendly toward our Republic; to address the people, whose leader is coming on an official visit to the Republic of Belarus in few days. I have in mind Prime Minister Li Peng, who will arrive to visit us. In connection with this, I would like to welcome this visit: We appreciate China's position very highly. We assess this upcoming visit by one of the PRC leaders very positively. The leadership of our Republic highly esteems Li Peng himself, since he — as is very well known in Belarus and Europe, and as I told him during our talks in China — is a leader of the European standard, in both China and the East as a whole. He is a very powerful leader.

During my last visit to China, we agreed upon many issues: cooperation in the industrial sphere, military-technical cooperation, and many other problems. It should be said that we are now slowly advancing with the implementation of those agreements. We have been expecting Li Peng's visit to Belarus very eagerly to give a new stimulus to relations between the Republic of Belarus and China. This is extremely important for us, especially under the current circumstances, when our enterprises need to sell their products. Therefore, we highly appreciate the visit of one of the PRC leaders. We are also very grateful to the leader of the Chinese people, [President] Jiang Zemin, who has kept his promise about a visit of one of the top PRC officials to Belarus in the near future.

I think that it is very important that we are able to speak a common language with China. We understand each other. We have proceeded from the same system. We are trying to reform our economy and our state sphere quietly, without cataclysms, without revolutions, without any appalling pauperization of the people. We have adopted this policy, which has been pursued by China for a long time. Therefore, we have a common ground to establish a higher level of cooperation, primarily a higher level of economic cooperation. In short, we are extremely interested in visits of China's leaders to Belarus and in the establishment of closer ties between us. I think that it will be extremely beneficial for China, too, to have Belarus as a friendly state.

[GUANGMING RIBAO] What is your assessment of the state of (?economic and political relations) between Belarus and the PRC?

[Lukashenka] Regarding my assessments, I should divide this question in two. We have done a lot to create a legal, normative basis for mutual relations between China and Belarus. As of today, we have appropriate accords and agreements in all spheres: commissions have been created; representative missions and embassies have begun operation. We recently sent our ambassador to China, Mr. Kuznyatsow, who is now working there. According to reports, he has found understanding in your Republic. I sent a message to Jiang Zemin through my ambassador when he was departing to China. We show by this that we attach great importance to the development of our relations. In the political aspect, as I have already said, we have advanced pretty deeply in the working out of a normative basis and the creation of a legal road for our two countries. One would like to make the implementation of our agreements more intense. If we, for example, reach an agreement on Belaz [Belarusian Motor Vehicle Plant] trucks, then we should implement it. If we have reached an agreement on military issues, then we should implement it, too. Thus it is desirable to implement our agreements at a quicker pace in practice. This is my short assessment of today's situation.

Regarding the general situation, China is sixth in trade between Belarus and countries of the far abroad. Therefore, the level of mutual relations is very high. There is a sufficient number of agreements reached today, and these agreements should be implemented.

[GUANGMING RIBAO] In your opinion, what are the most prospective spheres of trade cooperation between Belarus and China?

[Lukashenka] Regarding the spheres of cooperation, we can cooperate in all spheres. Of course, it will be a little more difficult with agriculture. It will be difficult for us to supply you with agricultural products in which you are interested; in general, however, you have sufficient amounts of your own agricultural products. As for the spheres in which we are ready to cooperate with China, and in which we have already far advanced, they include machine building, machine tool industry, computer equipment, military-technical cooperation, and particularly large-load capacity trucks, which we offer for prices acceptable to you. These are priority spheres in our cooperation, and the most desirable ones. There is one more sphere in which both Belarus and China are very interested — science. Science in Belarus is up to high standards, but it faces certain difficulties in terms of subsidies. Therefore, China is ready today to invest certain funds in our science with the view that the results of scientific research may be used by the Chinese side. We are ready to do this.

[GUANGMING RIBAO] You visited China early this year, signing a number of agreements between Belarus and China. What useful results have already been achieved due to these agreements?

[Lukashenka] Speaking frankly and honestly about the results, one would like — as I have already said — to see them more weighty. However, while signing these agreements with the Chinese side — on expanding trade and economic cooperation, on military-technical cooperation, on Belaz trucks, and on many many other issues — we agreed to create commissions, which, incidentally, have already been created. We also agreed that representatives of Chinese ministries and departments, as well as the scientific sphere would come to us to specifically conclude these agreements. However, the final i's should be dotted during the visit of Prime Minister Li Peng to Belarus. Therefore, this visit will be the start for more intensive cooperation in the above-mentioned spheres between China and Belarus. There is no problems on our side — we have resolved them all. Apparently, there are some fears or some wariness on the part of the Chinese leadership. Therefore, it is very good that the leader of the Chinese Government will come here to see with his own eyes how serious are our intentions — the intentions on the part of the Belarusian leadership and me, as the president — to cooperate with the Chinese side.

I think that we need to discuss cooperation in the sphere of chemical goods. You know that the standard of our chemical products is very high. I think that there is a shortage of this kind of product in China. The chemical industry cannot be omitted if China is going to have access to higher technologies. We are ready to cooperate in this sphere.

I think that we could also have a very serious talk — on the state level, without commercial intermediaries — about supplying the Republic of Belarus with textiles. If this is done on the state level, this will be significantly less expensive for our people. So, I would like to discuss this problem with your prime minister. It will be advantageous for you, too.

I would also like to discuss a number of other problems, especially those pertaining to the supplies of raw materials for our industry, including even an option where you provide us with raw materials, while we manufacture appropriate products and send them back to China.

[GUANGMING RIBAO] What measures should China take to bring the mutual trade to a higher level?

[Lukashenka] China should trust our Republic — simply trust our Republic more. China should see us as a very serious partner. The next thing is the practical implementation of our agreements. This is all — we do not need anything else. China today, as far as I am informed, is a stable, manageable state; it is also not a poor state. You country has a serious hard currency potential, and it could support our economy, too, by buying appropriate commodities in Belarus. In short, there need to be practical actions to implement our agreements. There are no other barriers in the relations between China and Belarus.

[GUANGMING RIBAO] What is your opinion about integration with Russia? Does Belarus need to integrate with Russia?

[Lukashenka] One cannot separate our processes of integration with Russia from the integration with other republics. There are integration processes under way in Belarus with Ukraine, Uzbekistan, Kazakhstan, Caucasian republics, and Middle Asia republics; with all republics, in fact. We are trying to attain the level that existed formerly with the Soviet Union. As a journalist, you know that not everybody in the Republic of Belarus — especially the Belarusian opposition — accepted the improvement of relations between Belarus and Russia. Speculations have begun on this issue. Therefore, I resolved to submit this issue to a referendum; namely, relations with Russia. The relations between Belarus and all other republics were not disputed. Therefore, the referendum question pertained to Russia. Our nationalists treated this as an alleged loss of sovereignty, etc. The people determined their will — 85 percent spoke in favor of integration with the Russian state. This is the first thing.

Second, you know very well that our Belarusian economy is almost completely dependent on Russian raw materials. We have very powerful processing enterprises in the chemical and oil refining industries, as well as machine building enterprises, machine tool plants, consumer goods plants, well, almost all of them. Our main market is in Russia. Raw materials are also there. Therefore, our dependency is great. This is our current reality, one cannot get away from it. Therefore, our cooperation with the Russian Federation is not a sort of gift to the Russians; it is our vital need. For the time being, nobody has replaced Russia as a market where we sell goods and buy raw materials. Nevertheless, our relations are being built on a mutually advantageous basis; they reflect our interests. I will repeat once again that this is not a sort of gift made of our sovereignty to the Russians. No. This reflects our interests. Russia is also interested in close cooperation with Belarus, since this suits its interests, too. So, this is why such close relations with the Russian state are developing.

I would like to say that our relations with Russia by no means contradict those agreements achieved by Belarus with China and other states. We will always have good relations with the people of China, as well as, for example, with the people of Poland, the Baltics, Germany, and other countries. This does not contradict those relations at all. We are ready to build those relations on a mutually advantageous basis.

I think that there is no reason for China to be wary of our relations with Russia. They will do no harm to the relations with the PRC.

Belarus, Kyrgyz Officials Discuss Economic Ties

LD2106215395 Minsk Radio Minsk Network in Belarusian 1600 GMT 21 Jun 95

[FBIS Translated Text] Mikhail Marynich, minister of foreign economic relations of Belarus, met Roza Otunbayeva, minister of foreign affairs of the Kyrgyz Republic, in Minsk. During the meeting, future directions of mutual cooperation between the republics were outlined. The Kyrgyz Republic is prepared to buy china and furniture from Belarus, as well as products of the machine building industry and to supply to us with electricity and cotton. The two sides see a future in the creation of a joint timber-processing enterprise.

Lukashenka, Chyhir Support CIS Confederation

LD2106231395 Moscow INTERFAX in English 1811 GMT 21 Jun 95

[From the "Presidential Bulletin" feature, compiled by Nikolay Zherebtsov and Andrey Petrovskiy and edited by Vladimir Shishlin]

[FBIS Transcribed Text]

Minsk Calls For Integration of Post-Soviet Republics

President Alyaksandr Lukashenka at the end of a two-day visit to St. Petersburg has given a positive response to the idea of a confederation of Russia, Belarus and other post-Soviet republics. He was speaking at a news conference there on Tuesday [20 June].

Belarussian Economy Minister Georgiy Badzey and Mayor of St. Petersburg Anatoliy Sobchak signed an economic cooperation agreement at the end of Lukashenka's visit to the city.

Lukashenka said his country was interested in new markets for farm exports, particularly Moscow and St. Petersburg. He admitted that although Finland and Lithuania were entrenched in the St. Petersburg food market, his country's farm produce was two or three times cheaper.

On food quality control, both Lukashenka and Sobchak said Belarusian food products were subject to stringent control as far as radioactive contamination was concerned.

Lukashenka said similar talks would be held with Moscow Mayor Yuriy Luzhkov and that Russia would fare much better after forming an economic union with Belarus. He said the country's $400 million debt to Moscow was made by the previous government and that none was made during his presidency.

Lukashenka pledged social stability in Belarus despite confrontation with the previous parliament which is still in force under the constitution. But he made it clear it was possible to work even without a legislature pointing by way of example to St. Petersburg which had no parliament for almost six months.

On the dismissal of editors-in-chief of a number of Belarusian newspapers, Lukashenka said they had been sacked because of spreading "false and damaging information and biased coverage of the president's work".

None of the three Slav states would be able to go it alone in economic recovery, Prime Minister Mikhail Chyhir told a meeting of governors of 30 regions of Belarus, Russia and Ukraine in Minsk on Wednesday [21 June].

Nothing short of economic integration could help towards recovery of each of the three states, he believes. Chyhir called for direct economic cooperation on the ground to achieve just that.

He said efforts must be made for a revival of former economic ties between CIS states though doing so in full will be impossible in the near term.

Chyhir called on regional administrators to promote integration on the ground, something the center is often unable to do itself.

He is convinced that the governors must work together to try to protect the domestic market and home producers.

Chyhir said Minsk was looking for options of wider cooperation with Russia and Ukraine, but "how fast we pass through the integration period depends on the regions".

The prime minister pledged his own signature under a tripartite agreement on regional cooperation. He also announced that President Lukashenka was also prepared to address the forum.

Ministers Present National Economic Statistics

WS2006144795 Minsk BELAPAN in English
1330 GMT 20 Jun 95

[FBIS Transcribed Text] On 19 June, at a traditional government press conference with the participation of Prime Minister Mikhail Chyhir, Deputy Prime Ministers Uladzimir Harkun and Uladzimir Rusakevich, the head of the Cabinet of Ministers, summed up the results of the functioning of the national economy in the first five months of this year.

Over this period, GDP totaled 33.729 trillion rubles [R] which accounts for 89 percent (in relative terms) of the indicator over the same period of last year. Industrial goods were produced to a total of R47.5 trillion, which means a reduction by 7.1 percent compared to the first five months of last year. The indicator of May in comparison with April in industry as a whole was 90.8 percent, including light industry — 71.6 percent, building material production — 79.2 percent, food industry — 82.9 percent. The highest level was achieved in fuel and chemical industries — 120 percent. Speaking about industry as a whole the prime minister stressed its poor adaptation to the stable exchange rate of the U.S. dollar. Many enterprises that had become used to deriving inflation profits did not exert efforts for the reduction of the primary cost of their products and now have problems in the sale of their products both on domestic and foreign markets. Inflation over the last month totaled 3.6 percent, in foodstuffs — 2.8 percent, in industrial goods — 5.1 percent. Over the whole of June inflation is expected to be 2.3 percent. On 1 June, public savings on usual and fixed-term deposits totaled R4.219 trillion, including R708 billion in foreign currency. Thus there are about R420,000 in savings on average for each inhabitant of the country. The pay of workers of the sphere financed from the state budget averaged R732,000, i.e. increased by 5.8 percent compared with April. As the rise in wages (5.8 percent) is greater than the pace of inflation (3.4 percent) one can talk of a rise in real public incomes. Average wages in branches are as follows: office workers — R787,000 (an increase by 7.2 percent); industrial workers — R785,000 (an increase by 4 percent); in the educational sphere — R630,000 (an increase by 4 percent), in public health services — R706,000 (an increase by 8.5 percent).

Moldova

Snegur Meets With Russian Defense Ministry Official

LD2106211395 Moscow ITAR-TASS in English 1717 GMT 21 Jun 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] CHISINAU, June 21 (ITAR-TASS) — Russia has fulfilled its obligations, and now there is no combined-arms army in the Dniester region, President Mircea Snegur and Army General Konstantin Kobets, head of the working group of the Russian Defence Ministry, Deputy Defence Minister and chief military inspector of the Russian Armed Forces, said on Wednesday [21 June]. The meeting was held on the initiative of the supreme leadership of the republic in the capital of Moldova today.

Kobets introduced Major-General Valeriy Yevnevich, commander of the operative group on troops control of the Russian Federation in the Dniester region, to the Moldovan president, the army general told ITAR-TASS. During the meeting, they discussed the problems which will be the subject of the talks between Russian President Boris Yeltsin and the Moldovan president on June 28.

According to Snegur, this meeting has become a good foundation for the talks in Moscow. He expressed gratitude to Kobets for his work on the normalisation of the situation in the Dniester region.

On the same day, Kobets met with Moldovan Defence Minister, General Pavel Creanga.

The problem of financing of housing construction for Russian troops in the Dniester region will be resolved at the expense of the sale of hardware of the former 14th army, Kobets told ITAR-TASS in an interview. The housing issue will be settled in the near future, he assured.

New Russian Commander Meets With Dniester Administration

LD2106224795 Moscow INTERFAX in English 1712 GMT 21 Jun 95

[FBIS Transcribed Text] TIRASPOL, June 21 (INTERFAX) — The new commander of the operations group of the Russian troops (former 14th Army) in the Transdniester Region, Major-General Valeriy Yevnevich, is "determined" to ensure reliable protection of the group's arsenals.

The Region is a self-proclaimed republic on the territory of Moldova.

He spoke in Tiraspol Wednesday [21 June] at the meeting with leaders of the Transdniester administration.

Yevnevich replaces Lieutenant-General Aleksandr Lebed, who stepped down and retired from the armed forces. Lebed's application was signed by Russian Defense Minister Pavel Grachev and after that the army commander was relieved from the post by the decree of Russian President Boris Yeltsin. Lebed's resignation was caused by his disagreement with Moscow's decision to reform the 14th Army's command.

Meeting with the Transdniester leaders, Yevnevich said that the army structures "are being reduced, but the troops remaining in the region will ensure inviolability of armaments before they are carried to Russia in line with the relevant decisions being taken by the political leadership."

Yevnevich said that the property of the former 14th Army "is Russian property."

"The military will curb any attempts to seize armaments no matter who the initiator is," he said.

INTERFAX learned that Yevnevich intends to come to Chisinau shortly to get acquainted with the Moldovan leaders and discuss how to preserve peace and stability in the Transdniester Region.

Army Inspector Says 14th Army Weaponry Under Guard

LD2106154895 Moscow ITAR-TASS in English 1324 GMT 21 Jun 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] TIRASPOL, June 21 (ITAR-TASS) - "The armaments and ammunition, belonging to the task group of Russian troops in the Dniester area (formerly known as the 14th Guards Army), are being reliably guarded, and rumours that they could be seized are absolutely groundless," ITAR-TASS was told by Inspector-General of the Russian Chief Military Inspection Lieutenant-General Aleksey Nefedov. He said that a recent inspection of the dumps showed that all the small arms and grenades were reliably sheltered and the depots were being reliably guarded. Therefore, they can be captured only in the event of a large-scale military operation.

The Inspector-General noted that press reports about the allegedly disturbing condition of artillery shells and explosives designed for engineering purposes were incorrect. Nefedov said they were all well guarded and needed only proper certification. A special place has already been equipped to destroy the ammunition, whose guarantee period had expired. Talks are now being conducted with the local administration on ecological aspects of the problem.

Kazakhstan

Foreign Ministry Condemns Terrorists in Budennovsk

LD2106212195 Moscow ITAR-TASS in English 1725 GMT 21 Jun 95

[By Gennadiy Kulagin]

[FBIS Transcribed Text] ALMATY, June 21 (ITAR-TASS) — The Kazakhstan Foreign Ministry condemned the terrorist act in the southern Russian town of Budennovsk and rejected any forms of aggressive terrorism resulting in violence and loss of life.

In a statement issued on Wednesday [21 June], the ministry said Kazakhstan was watching the hostage crisis in Budennovsk with great concern and expressed condolences to the families of the victims.

"Kazakhstan supports the agreements reached by the Government of the Russian Federation that has led to the release of hostages. The tragic events in Budennovsk underscore the need for the soonest possible settlement of the situation in the Chechen Republic," the statement said.

The Ministry expressed the hope that the parties to the talks in Groznyy will work out a plan of peace settlement for Chechnya in order to restore peace and stability in the region.

Zholdasbekov on Future Relations With Iran

954F2581A Almaty PANORAMA in Russian 17 Jun 95 No 24, p 5

[Interview with Myrtazay Zholdasbekov, Kazakhstan's extraordinary and plenipotentiary ambassador to the Islamic Republic of Iran (IRI), by PANORAMA correspondent Karlygash Yezhenova; place and date not given; under the rubric "Cooperation": "Ambassador Zholdasbekov: For Kazakhstan, Iran Is First of All a Promising Trade Partner in the Area of Transportation Communications"]

[FBIS Translated Text] Teheran-Almaty—[Yezhenova] At the diplomatic conference that was held in Almaty in March, you were elected a dean of sorts of the Kazakhstan diplomatic corps abroad. This conference discussed many problems facing our diplomatic corps, which considerably complicated their work. Now, after some time has passed, you can probably judge its effectiveness?

[Zholdasbekov] There is undoubtedly a return, first of all in the area of information exchange and a more coordinated approach to the solution of some organizational matters. The MFA [Ministry of Foreign Affairs] press service began to function more expeditiously—we receive more detailed reports on the most important events in the economic, political, and social spheres. At the same conference, foreign policy priorities and new tasks were defined.

[Yezhenova] We see now a beginning of a new phase in the Kazakhstani-Iranian relations. What are their main directions?

[Zholdasbekov] I think we have successfully completed the first phase of presenting our state to Iran and vice versa.

Unfortunately, to this day we have a perception of this very important strategic partner that is not always objective, limited to the so-called Islamic fundamentalism angle. This is a very simplified approach, and it would be a mistake to follow it. Iran's geopolitical situation and status have ensured for it a key position not only in the region but in the entire world.

For Kazakhstan, Iran is first and foremost a promising partner in the area of transportation communications, especially keeping in mind that over the past few years we have managed, through joint efforts, to put in place an infrastructure for the success of such a partnership. In particular, I mean the already smoothly operating transportation and cargo exchange and air routes between our countries. Of mutual interest to us is the final completion of the construction of the trans-Asian main line, which is expected in the beginning of next year, as a result of which Iran will have a gate to the East, Far East, Siberia, and China, and Central Asia republics—a gate through Iran to Europe, to the sea. The reality of these expectations was confirmed by the recent opening of the Bender-Abbas-Bavk railroad. This is a road to one of the major Persian Gulf ports. Navigation has been established through the port in Aktau. Thus, we have completed the first phase.

The second phase revolves around a problem that is extremely important for us—transporting oil. Iran is willing to take our oil and reissue an equal volume of oil in the Persian Gulf. In addition, our embassy proposed, keeping in mind the special significance of the free economic zone on Keshm Island, to build warehouse facilities. This will permit us to begin, albeit not full-scope, realization of our economic agreements.

One can judge the degree of interest on the part of Iranian entrepreneurs by the fact that about 60 private companies are registered in Kazakhstan. Keeping in mind the low purchasing capacity of our population, and against the backdrop of the low quality of Chinese goods and the high cost of Turkish ones, Iranian goods represent a certain optimal middle value with respect to price and quality.

I recently had a meeting with Iranian businessmen in Mazandaran Province, where I urged them not to abuse the ability to fix prices, but, as it turned out, in the overwhelming number of instances this is associated with auxiliary costs, initiated, so to say, by our side as a rule. Overall, however, Iran offers us what we need, including consumer goods.

We, in turn, export grain, meat, and other agricultural products.

In addition, the quality of highways in Iran also may provide food for thought for our respective agencies. Especially keeping in mind that the IRI assembles cars for 16 leading companies, including Peugeot, Renault, Volvo, Mercedes, Nissan-Patrol, and others.

[Yezhenova] In the end of June, a scheduled conference on the status of the Caspian will be held in Iran. Do you not feel that the problem is being pointedly politicized lately?

[Zholdasbekov] This is a very important question, with years of history behind it, because all existing documents had been signed between Iran and the then-USSR. In principle, I am against any hasty decisions in this matter, especially considering that the negotiations process, drawn-out as it is, does show closing the gap between the Caspian states' positions, including ours with Russia. Some extremes, such as, for instance, Azerbaijan's position, are inevitable, and it is very important to avoid exacerbating them.

[Yezhenova] How would you comment on the growing activism of Russian-Iranian relations?

[Zholdasbekov] The roots of diplomatic relations between Iran and Russia go very deep. This is a mutually beneficial process for both states. And for Kazakhstan too. The wider the belt of stability, the better.

[Yezhenova] Can you say something regarding the recent appeal of members of the Iranian intelligentsia to President Rafsanjani on the need to boost the process of democratization in the IRI?

[Zholdasbekov] This is strictly Iran's internal matter. Overall, however, one can see positive shifts in both Iranian society as a whole and serious steps in the direction of liberalizing the economy.

[Yezhenova] There were reports that an unpleasant incident took place several days ago. Shots were fired at the house of one of our embassy staff members.

[Zholdasbekov] This incident was of strictly private nature. A 12-year-old boy carelessly used his father's gun; the latter immediately expressed his deep apology and regrets. Proper agencies are investigating. This is an isolated incident that has no political underpinnings and will not affect our relations in any way.

[Yezhenova] Iran does not hide its interest in the states of the Central Asia region, but Uzbekistan does not seem to be a part of these obvious interests.

[Zholdasbekov] This is a matter of bilateral relations between these countries. I should point out, however, that Uzbekistan has its embassy in Teheran.

Country's Dire Ecological Position Outlined

LD2106192295 Almaty EKSPRESS in Russian 13 Jun 95 p 5

[Article: "Kazakhstan will turn into a desert if we do not realize that nature is not a milk cow"]

[FBIS Translated Text] At last we have been victorious over nature, but this is a Pyrrhic victory: Aral and Balkhash, Alga and the Caspian region, Ekibastuz and the Karaganda metallurgical combine, Semipalatinsk and Baykonur are wounds on the body of Kazakhstan; there is no healthy place. Ecology has risen to the same level as economic, political, social, and demographic problems. It has reached a point where if we do not set about saving nature in a systematic and purposeful way, we will have no place to live and Kazakhstan will turn into a desert in the literal sense of the word.

Let us cite just a few facts as examples, which, to be honest, should not even exist.

Work is going ahead apace at the Semipalatinsk test range. Market reforms are developing and resourceful businessmen have collected some vagrants and sent these shock troops inside the worked-out shafts to get nuclear cables that are rich in the non-ferrous metals. Never mind the radiation, the main thing is to make money. Earth-moving machinery has been working at full capacity to dig up this cable on the so-called test site there where nuclear bombs were exploded above ground and where hydrogen bombs have let loose their infernal flames. Incidentally, this zone of death continues to radiate many thousands of microroentgens per hour even today. Livestock are being pastured on a large scale in this same area.

Who cares what copper appears in the marketplace, what kind of conserved mutton or beef we eat, or whether the milk shines in the dark? Is the main thing the market?

According to information from the experts, the smoke produced by the cyclonic chimneys of the Ekibastuz State Regional Power Station not only settles as acidic ash and sooty rain on the heads of people in Kazakhstan, but also covers a large part of the Urals. As we have mentioned, caustic, saline dust storms raise so many harmful chemicals from the bottom of the dried-up Aral Sea that traces of it have been noticed even in Greenland.

It should be added that enterprises in the power, mining and metallurgical industries, that are concentrated in the Pavlodar, Karaganda, Dzhezkazgan, and East Kazakhstan regions continue to be some of the main polluters of the atmosphere. If we take last year as a starting point, more than 3 million tonnes of caustic pollutants have been emitted into the atmosphere of the republic from stationary sources.

The level of pollution of the main water arteries remains high. The basin of the Irtysh river is the worst off in ecological terms. About 20 cases of extremely high zinc pollution levels in the Glubochanka and Krasnoyarka rivers — up to 100-342 of the maximum permissable concentration — were recorded as a result of breaches of technical regulations at the purification plants of the Irtysh poly-metals combine in 1994.

However, in spite of this mass of ecological infringements, it is still possible to talk about certain positive results from environmental protection measures in the country's industry. For example, last year 734,000 tonnes fewer pollutants were emitted into the atmosphere than in 1993. The Ust-Kamenogorsk lead-zinc combine has shifted to an effluent-free water circulation system. This measure has made it possible to reduce the emission of effluent water by 5 million cubic meters. Savings of fresh water have reached 4 percent in Almty alone as a result of the introduction of a circulating water-supply system. The volume of irrigation water consumed fell 10 percent after the land-improvement system in Almaty Region was overhauled.

We plan to continue reporting positive and negative facts about the use of nature.

(From documents of the Kazakh Ecology Ministry and press reports.)

Caspian, Aral Ecological Conditions Viewed

95WN0193A Almaty EKSPRESS-K in Russian 15 Jun 95 p 5

[Commentary by Sary Kabylan: "Ecology: Pluses and Minuses: Is There Not an 'Underground Tunnel' Between the Aral and Caspian Seas?"]

[FBIS Translated Text] There is! Except that it has been blocked by bureaucrats.

If you wish to fly to the Moon, do not rush out and buy a ticket. If you wish to wander through the southern Florida Everglades, do not rush either. Better to buy a ticket and fly to Kazakhstan. The dried-up Aral Sea will substitute for the Moon, and the Caspian shores—for southern Florida's champing stench pool. You will get a sea of impressions, by the way, namely:

The Aral's gaping mouth is turning a huge formerly flourishing region, rich in black caviar and silvery fish, famous for melons and watermelons, into a horrible desert with absolutely depopulated villages, abandoned not only by mere mortals but by governor-generals—our rulers—as well.

And if we jump across the Betpakdala, we see that because of the steady rise of the Caspian Sea level about 30 oil fields, small and large airports, and population centers are now in the flood or underflood zone. Sewage catching basins Koshkar-Ata in Mangistau Oblast and in the city of Atyrau proper have been in danger of hydraulic connections breakdown for quite some time. Oil and gas from flooded wells seep into technical and drinking water.

Probably nowhere else in the world can one find such water-desert phenomena as in Kazakhstan. They are truly unique.

Almaty Oblast, for instance, very soon may begin, forgive the expression, to wash its face in shit. Do not get mad at me—get mad at someone else. You see, the danger of a breach in the Sorbulak catching basin persists to this day because of the absence of an emergency channel.

Man simply does not know what he is doing, turning the Kazakhstani land into hell.

As a result of market-barbaric violations of agricultural production technologies, salinization, underflooding, water- and wind-caused soil erosion are taking place on a massive scale; the humus content in the soil is dropping off. Why on a massive scale? Because this accounts for Kazakhstan losing annually up to 1 percent of its useful arable land.

Facts abound. And all of them lead to a decline in agricultural and industrial production.

In the Ural basin, for instance, the most polluted river is the Ilek. Its water now can be literally used as raw material for the extraction of petroleum products, phenol, ammonia nitrate, chromium, and boron. Maximum allowable concentrations [PDK] of boron alone are exceeded by a factor of 45, chromium—by a factor of 10. And this is what is interesting. The 13 million or so tenge, allocated by the government decision to the Fosforkhim joint-stock company— for the program of measures protecting the Ilek river from pollution—is still not there; construction has been suspended. Poor people; they have to consume Ilek water and develop cancer, bear deformed babies, and die before their God-given time. Who violates God's laws? The devil!

Now let us return to the Aral.

Our market is of a sort of screwed-up kind: We turn on the water faucet while sitting on the hose.

One does not have to go far to find an example. Because of the construction of dams, businesses, and dacha clusters in the Syrdarya floodlands, the river's flow capacity is extremely limited, and when the flow intensity of water increases, underflooding of population centers occurs as far away as Kzyl-Orda! Over the past two years alone almost 16 billion cubic meters of water have been aimlessly dumped for this reason on the territory of Uzbekistan in the Arnasay depression—water the Aral Sea desperately needs. Is this not a paradox? And will our brother Uzbeks thank us for the free water?

Is there a solution? Of course, there is. The Kazakhstan Ministry of Ecology and Bioresources long ago developed and submitted to our own Cabinet of Ministers proposals on recovery from the water-desert catastrophe.

But the cart is still there, in the desert—or wheel-deep in water. Why so? No money, that is why! This is what the Cabinet of Ministers says.

Suprunyuk on Stirring Up National Hatred

954F2546A Moscow MOSKOVSKIY KOMSOMOLETS in Russian 7 Jun 95 p 2

[Interview with Boris Suprunyuk by Yelena Korotkova; place and date not given: "Crappy Business: You Always Step In Something, Boris Fedorovich...."]

[FBIS Translated Text] This interview with Boris Fedorovich Suprunyuk was conducted a long time ago—in October of last year. When he came to Moscow on a short visit—to participate in the convention of Russian communities. His trial in Petropavlovsk, which resonated all over Kazakhstan, had just ended. Despite pressure from human rights organizations, Suprunyuk was found guilty of "inflaming interethnic strife" and sentenced to two years' probation. Ahead of him were two more trials. One case—on the charge of "insulting an official"—was brought up practically immediately after the trial. The whole of Kazakhstan laughed at the time the accused in his concluding statement called the state prosecutor "dirty scum."

This interview was not published in October for technical reasons. On 11 May we received news from Kazakhstan that Boris Fedorovich had been sentenced to two years in prison. For the aforementioned "insulting an official." I think our readers will be curious to know the previous history of this trial.

[Korotkova] Boris Fedorovich, is it true that during the Petropavlovsk trial you called the state prosecutor a "bastard?"

[Suprunyuk] The situation that emerged at that trial was indeed rather piquant. The trial took only two weeks—from August to September—and over this entire period of time Prosecutor Yuriy Kintsel continuously indulged in attacks against Russia. He kept intoning things like this: "And who signed the Belovezha agreements?" Forgetting, of course, that the chief documents blowing the Union apart were signed the same month in Almaty. I am not a supporter of Yeltsin and not a supporter of the Belovezha agreements, but if you say "A," why forget about "B"? He continuously made derisive comments regarding Russian economic policy: "Who plunged Kazakhstan into poverty? Squeezed it out of the ruble zone?" Kintsel also made remarks about Yeltsin: "Yeltsin is a scoundrel, Yeltsin is dirty scum." Mind you, this was not some private individual—this was a state prosecutor. So he spills out all this garbage at the trial, but court procedures are such that if you ask the prosecutor a question or make a remark in reply, the court gives you a warning. Had I replied to him right away, I would have been removed from the courtroom after the third warning and the court would have proceeded without me. That is why I waited until the concluding statement. During which, in keeping with our humane laws, the accused cannot be interrupted. I spoke for three and a half hours—the judge's jaws went green. And at the end I said: "As to your remarks, Kintsel, that you made regarding the Russian president and Russia, here is a return compliment for you: It is you who are a crook, a cad, and dirty scum. And also a scoundrel and a piece of shit!" The judge hurriedly said that the hearing was closed. The audience broke into laughter. In short, an interesting trial. Not a single day passed that I left the courtroom without flowers.

[Korotkova] Can your trial be called political?

[Suprunyuk] Of course. Article 60—"inflaming interethnic strife"—under which I was charged is listed in the Kazakh SSR Criminal Code in the "Crimes Against the State" part. So what you see in front of you is a true offender of the state. I have been in four prisons: in Petropavlovsk, Tselinograd, and two in Almaty, including an underground psychiatric ward. And nobody anywhere— including the police and medical personnel—has ever heard of this article. The last time it was used was in 1986 after the Almaty events, when Kolbin was appointed.

And the way I was arrested: Six policemen showed up, with five handguns and three pairs of handcuffs. At home was my 83-year-old mother, my 75-year-old aunt, my wife, and myself—with heart medication under my tongue. They came to take a thieves den—armed to the teeth. By the way, Procurator Kintsel, who was the chief prosecutor in the trial and signed the warrant for my arrest, is my dacha neighbor and a long-time political opponent. He even showed up at the trial carrying his party card.

[Korotkova] So how did you "inflame interethnic strife"?

[Suprunyuk] I published a newspaper. I am a professional journalist, after all, with a 37-year career behind me.

[Korotkova] What did you write in your newspaper that was so terrible that you were even banned from engaging in journalistic activities?

[Suprunyuk] In my viewpoint, it expressed a regular independent position of the Russian community, the Russian population. Because Petropavlovsk is after all a Russian city. When I was born there in 1935, Petropavlovsk was part of the RSFSR. It is a paradox that, having been born in Russia and never having moved anywhere, I suddenly found myself abroad. And what do we have? Everything has been done to push Russians out of the leadership. The head of the television and radio committee was a Russian—they put a Kazakh there; the head of the KNB [National Security Committee] was a Russian—they put a Kazakh there; in the oblast court, they first appointed one Kazakh, and then, after this one was caught embezzling—another one. Here is the situation: As soon as there is vacant job, a Kazakh shows up; whenever someone needs to be squeezed out, it is always a Russian. When a person is fired from a job because he is not a Kazakh, when he is deprived of the ability to study in college because they enroll national cadres there—this is a violation of rights. This is what I was writing about. I also wrote about our president. Nazarbayev is a very interesting politician who tells more lies than the truth. For instance, the INTERFAX presidential herald asked him: "Does the Russian-speaking population in fact run into problems in Kazakhstan?" And Nazarbayev replied: "First, there is no such problem in Kazakhstan." He said this on 24 November 1993, at a time when, according to official data, about 400,000 persons had already left Kazakhstan. Or, on 22 January the Kazakhstan president tells Kazakhstani citizens in KAZAKHSTANSKAYA PRAVDA: "By the way, dual citizenship is not envisaged in our Constitution—or in the Russian Constitution, as a matter of fact." This is a lie. There is Article 4 in Kazakhstan Constitution, which gives Kazakhs living outside Kazakhstan the right to obtain republic citizenship, that is, there is dual citizenship for Kazakhs, but not for others. It is also a lie that dual citizenship is not envisaged in the Russian Constitution. Article 62 says that "citizens of Russia have the right to dual citizenship." It would be laughable to think that Nazarbayev does not know this. This is deliberate disinformation of Kazakhstani society. And I have many such examples. I am tired of catching the president out on lies.

[Korotkova] Why then were you tried for "inflaming interethnic strife" instead of for discrediting the president or slandering him?

[Suprunyuk] How can you put me on trial for slander when I have the facts? Including official data. For seven years, ever since I began publishing the GLAS independent newspaper, I meticulously collected all Nazarbayev's speeches. I already have the complete works of Nazarbayev.

[Korotkova] Have you decided to devote your life to unmasking the president?

[Suprunyuk] I have no intention of unmasking him—he is not the worst president. It is just that any lie on the part of a politician at presidential level reflects upon the people. I generally cannot trust any president, and especially those who come from the same party feeding bin.

Because what was, in essence, my trial? I was tried for beliefs I do not hide, for defending people whose rights are being violated. This trial violated the Kazakhstan Constitution, which almost fully incorporates Article 19 of the "Declaration of Human Rights:" "Each person has the right to freedom of conscience, the freedom to express it, and the freedom to seek, receive, and distribute information." But as soon as it came to actual practice, the Kazakh SSR Criminal Code kicked in. The code of a practically different country, because the Kazakh SSR ceased to exist a long time ago.

[Korotkova] There is one more trial ahead of you....

[Suprunyuk] Yes. Two criminal charges have been brought against me. One for calling Prosecutor Kintsel a "piece of shit." It is a joke. Well, all right, so we will hear "The Shit Case." Write it down, just like that. [end Suprunyuk]

One way or the other, the Petropavlovsk court got its way. For "insulting an official" Suprunyuk will go to jail, while the "official," who during trial cursed the president of a neighboring state, will continue sending to jail those who disagree with him. Right now Boris

Fedorovich Suprunyuk has declared a protest hunger strike.

Possible Results of Budget Deficit Weighed

954F2561A Almaty EKPRESS-K in Russian 15 Jun 95 p 3

[Article by Tulegen Askarov: "Does the Threat of Nationalization Exist in Kazakhstan? A Perceptible Pause Is Emerging in Kazakhstan's Economic Development. The Main Reason—Financial Sources of Development Are Running Dry"]

[FBIS Translated Text] The state budget is running a deficit. The government is unable to invest. Another internal source of investment is savings—of the population and commercial structures. However, by and large neither are inclined to invest anything on a serious scale in a country, which after the disintegration of the USSR has not yet managed to restore the destroyed faith in the state's trustworthiness.

When any country lacks internal sources for development, it looks for them abroad. Even the leader of Russian proletarians in his time, and in our times the leaders of communist China, searched for foreign investment. Kazakhstan did not avoid this fate either. The preliminary results of the work of our "scouts" are not that bad as compared to other post-Soviet republics. There are even some visible fruits of investment in Kazakhstan. However, for the most part these are loans, which we will have to repay. Direct investment—the riskiest type—so far has not reached the critical point beyond which one can hear the roar of the Kazakhstani "tiger." Why?

Kazakhstan remains a risky place for investment—both domestic and foreign. In such an unstable situation, the threat of nationalization of the economy persists. Even in developed countries, governments went ahead with private sector nationalization in the name of their political beliefs and voters' support. Suffice it to recall the recent experience of Great Britain and France. So what can one say about our political elite, which only yesterday liked so much to talk about miners in underground faces and drive combines. In the eyes of a Western investor, the leadership of any postcommunist country, still surrounded by a tight ring of former party functionaries, inevitably is going to return to the methods of the recent past.

Western investors cannot help but be alarmed also by the return to power of left-wing forces in the countries of Central and Eastern Europe. Even in Russia, where the leadership is so famous for its hatred of communism, the left is so influential that B. Clinton did not forget to invite communist leader G. Zyuganov to breakfast. If the "leftist" epidemics continue to gather strength at such a pace, the shadow of the communist future will inevitably be projected on Kazakhstan. And in this respect, a very interesting question emerges: Is the restoration of socialism possible in our republic?

This question is even more serious than the prospect of nationalization of the economy. Unfortunately, we have to admit that in today's Kazakhstan there exists a serious potential for a re-communization of society. And the government is making a big mistake by not paying attention to the worsening situation of a considerable part of the population of the country. Especially explosive are industrial regions, where a critical mass of discontent is accumulating.

Transferring large enterprises to the management of foreign companies does not solve all problems. The experience of several years of independence showed that foreigners do not want to deal with local labor spoiled by socialist leveling. The flow of cheaper and more disciplined labor, coming to Kazakhstan from other countries, is increasing, including even citizens of Europe and the United States who are unemployed or just beginning their careers.

In order to let out the steam of discontent and realistically help improve the conditions of life for its citizens, the government should officially encourage the outflow of labor from the country. Kazakhstani guest workers can mine coal or build subways in countries that do not have such specialists. In order to do this, the procedures for travel abroad should be simplified, and the transfer of earnings to relatives in Kazakhstan facilitated. We do not need to reinvent the wheel—it is enough to attentively study the experience of Turkey, which sends millions of its citizens to work in Europe.

Reducing the number of discontents in the country is not the only radical means. The government also should strengthen social guarantees, but in forms more inherent to socialism. It is time to look at the experience of Arab countries, where each citizen born there is so well protected by the state that the only concern he has is the well-being of future generations. We need to try the practice of personal accounts for each citizen of Kazakhstan, and for starters enter at least nominal amounts in them. It is unlikely that foreigners would object, if instead of paying millions in royalties that disappear in budget holes they will be offered the chance to allocate part of the stock or profit to a concrete list of our country's citizens.

Altogether, it is time to put an end to untargeted payments from foreign partners and move to attaching concrete citizens to concrete projects and concrete objects. It is more expedient to have the bonuses the government currently receives in the form of cash in a tangible form—roads, running water, airports, and so on. And corruption will be reduced as well.

One of the best means of combating the threat of nationalization is to reduce the role of the state in the economy. Instead of the hastily adopted Tax Code, the national leadership must decide on a radical step—repeal taxes altogether. It is quite enough for our little state to have income from foreign trade, from official state accounts abroad, securities, and from the gold trade in the form of excise tax. This will be more than enough for maintenance of the bureaucracy and future generations, and the rest most likely will prefer to work in more prosperous places. Later, upon the completion of this natural cycle of initial accumulation, citizens of Kazakhstan, having finally acquired wealth, will begin building a kingdom of democracy on their soil.

Kyrgyzstan

Accord on Military Units Signed With Russia

LD2106175095 Bishkek Kyrgyz Radio First Program Network in Russian 0500 GMT 21 Jun 95

[FBIS Translated Text] An agreement on cooperation and mutual assistance in matters arising in connection with the military units of the Russian Federation in Kyrgyzstan has been concluded between the general prosecutors of the two countries. It was signed in Bishkek during the visit of a delegation from the Russian General Prosecutor's Office, led by the deputy general prosecutor of the Russian Federation, (Panichev).

During the meeting with the general prosecutor of Kyrgyzstan, Asanbek Shorshenaliyev, and other Kyrgyz [word indistinct] as well as with the heads of the group of Russian border troops in Kyrgyzstan, the guests discussed various aspects of further cooperation. They then left for the Issyk-Kul region to view the life and activities of the border outpost there.

Parliament Approves Foreign Exchange Law

LD2206104295 Moscow ITAR-TASS in English 0954 GMT 22 Jun 95

[FBIS Transcribed Text] BISHKEK, June 22 (ITAR-TASS) — The Kyrgyz House of People's Representatives on Thursday approved the law "Concerning foreign exchange operations" passed by the Legislative Assembly earlier.

The new law lifts restrictions on foreign exchange transactions by private banks and exchange offices and stipulates that the official rate be set on the basis of the market rate.

At experts' estimate, the law will help attract foreign investors into the country and stabilise Kyrgyz economy.

The new takes effect upon adoption.

Difficulties of Pilgrimage to Mecca Outlined

LD2106210995 Bishkek ERKIN TOO/SVOBODNYYE GORY in Kyrgyz 14 Jun 95 p 5

[Article: "Is it a torment to be a haji? - or, about the shadow which has fallen on the religion"]

[FBIS Translated Text] The press in the Middle East and in Central Asia have published various reports about the torments suffered by the Muslims of Kyrgyzstan on their pilgrimage to Mecca. Our correspondent interviewed the guardian of the Bishkek Central mosque, Erkin Akybay uulu, to cast light on how much truth there is in this.

[Correspondent] Dear Guardian, tell us the truth about the sensational incident of the 320 hajis who failed to come back from Mecca in time and stayed in Turkey.

[Erkin] Well, there is nothing to hide. The way had previously been open for every Muslim to make a pilgrimage to Mecca, then we restricted it because there was an increase in cases of some friends from the republic losing their way, others being robbed. We came to one conclusion: We set up a special group and began sending people who applied to go. However, the Turkish Ulubey company let down about 2,500 Muslims who were making the pilgrimage this year from our country. On 26 April, the company was to send 58 buses to the Bishkek, Osh, and Dzhalal-Abad mosques under the agreement drawn up. By 28 April only 50 of them had arrived. Of the other eight buses, four were left in Uzbekistan, two in Turkmenistan, and the rest in Iran, because the travel documents were not ready.

[Correspondent] Excuse me, travel documents for 50 buses were ready, but not for these eight. How come?

[Erkin] That is what they said. Without seeing it yourself, you cannot really draw any conclusions. Anyway, Ulubey violated the agreement. The president of the company, Alettin Kydak [name as transliterated] admitted liability and paid for the charter of a plane to Mecca; we chartered the other plane ourselves. These were our 320 hajis who went by plane. In short, a total of 2,203 of our Muslims had been to Mecca by 6-7 May.

[Correspondent] Let us turn to the rumors about these 320 hajis and the way they returned.

[Erkin] It is true that they also faced great difficulties in coming home. The director of the small Saudi Arabian air company, Amin Bukhari [name as transliterated] wanted to jump in to make a profit from the return leg.

He said that he would take our 320 hajis to Kyrgyzstan by air on 25-26 May and collected their documents. The hajis washed their hands of the eight buses sent by the Ulubey company. This is where the row started. We appealed to the Ministry of Pilgrimage Affairs of Saudi Arabia, which passed a strict judgement and laid down the condition that Amin Bukhari was to take the hajis to their homeland at his own expense. He was unable to refuse this and took the hajis by bus to Gaziantep, in Turkey, and having found a way out he managed to escape. The Turkish Dianet VAKF [Religious Endowments body] took the hajis, who had got halfway, to Istanbul.

[Correspondent] But the pilgrims who visited Mecca, were annoyed with the troubles on the journey, thought their hotel was a mess and moreover, found their food and meals insufficient.

[Erkin] True, there were travelling troubles, but going on pilgrimage to Mecca is not like going to a health resort. Everyone who went on the journey paid $490. This covered the fare, payment for entry into the territory of countries, payment for entry visas and ecological [as received] insurance. It was a long way, covering Iran, Turkey, Syria, Jordan, and leading to Saudi Arabia. Customs duties have recently increased by a factor of between seven and 10 in these countries.

[Correspondent] Now, I will ask a final question. Various foreign publications are claiming that the Kyrgyz Government and the Ministry of Foreign Affairs did not take care of the fellow Muslims of their country.

[Erkin] I do not agree with this. I will mention only two facts. Our citizens, led by our ambassador to Turkey, Talamush Okeyev and consul Emin Osmon uulu [name as transliterated] resolved issues connected with the Kyrgyz part of the journey home and administrative matters in a businesslike manner. Our government dealt with the Istanbul-Bishkek leg. Moreover, they sent our hajis to Osh and Dzhalal-Abad by plane. Certainly, we gave the air company a letter of credit for the payments.

Finally, during the journey to the sacred place, three of our people met their Maker. The Muslims' spirits are in paradise. Amen! PS. True, this year the troubles of becoming a haji were great. Nevertheless, we are confident that the number of pilgrims will not lessen in future. But who has cast a shadow on the Islamic religion? Was it the hajis who caused alarm and suffered the troubles, or the con-men who were rubbing their hands for any spare money during the sacred journey, or a fraudster who prepared the documents illegally? In short, the undiscovered secrets seem to lie there.

Tajikistan

Rakhmanov, Karimov on Introduction of New Currency

LD2106221595 Dushanbe Radio Tajikistan Network in Uzbek 1300 GMT 21 Jun 95

[FBIS Translated Text] President Emomali Rakhmanov of Tajikistan held a meeting with the heads of ministries and departments, public organizations, and the media yesterday. Here is a report from the meeting prepared by our correspondent Otabek Ghoyibov:

[Ghoyibov] Opening the meeting, the head of state said the following:

[Rakhmanov in Tajik, fading into Uzbek report] Our main aim is the introduction of a national currency, to back it with goods, to determine the exchange rate of today's Tajik ruble, and related to this, to decide how the government's resolutions are being executed.

At present we face the issue of defining how each leader relates to the national currency. This issue is so urgent that it will decide our future and our destiny. It is now becoming clear who is for and who is against the national currency. Each of them is pursuing their own goals and agendas. As for our people, they are aware of everything that is going on. For our part, we should give a true assessment of these facts and draw the correct conclusions. I was persuaded of this when I visited Leninabad Region, Rakhmanov said.

[Ghoyibov] Then President Rakhmanov gave the floor to Prime Minister Jamshed Karimov of Tajikistan.

[Karimov, in Russian] In accordance with the presidential decree introducing a national currency, and with the Supreme Assembly's decision to set up a commission for introducing the national currency, the commission started its work. It carried out detailed preparations for introducing the national currency.

Our main aims are first, to pay wages to teachers, doctors, pensioners, and students who have not been getting their money for 10 months.

Second, there is the creation of a normal economic situation for getting the economy out of crisis. This is because only a normal monetary system is capable of stimulating production development. Those who do not work will become bankrupt, and will have to find their own way out of the situation they have got into.

Third, there is a need to stop the legalized robbery of our people. As of 10 May one cash ruble was worth 30 non-cash rubles. Because of these non-cash rubles, our whole wealth has been saved up, exported and turned into dollars, and accumulated outside the borders of the republic.

Fourth, a stable monetary system needs to be set up which will allow our country, Tajikistan, to move into new economic relationships, attract foreign investment and set up normal interrelations with international financial organizations. One can say that analysis of this past period shows that on the whole, in spite of the problems and difficulties which are still large, we are managing to tackle this issue. Moreover, that is the assessment not of the state commission, but of the IMF and other international organizations.

[Ghoyibov, in Uzbek] It should be noted that the meeting lasted almost three hours. The minister of finance, the chairman of the National Bank, the minister of industry, the minister of agriculture, and other responsible leaders voiced their own ideas and suggestions on the introduction of the national currency and its current role.

Rakhmanov: Progress Unsatisfactory

LD2106183495 Moscow INTERFAX in English 1230 GMT 21 Jun 95

[FBIS Transcribed Text] DUSHANBE, June 21 (INTERFAX) — Tajikistan's President Emomali Rakhmanov has described as unsatisfactory progress in introducing a new national currency, the Tajik ruble, as of May 15, presidential press secretary Davlatali Rajabov has said.

President Rakhmanov told the Cabinet on Tuesday he was very much concerned about the inadequate supply of all goods, in particular, foodstuffs.

President Rakhmanov said the unfavorable market situation complicated and restricted the planned circulation of the new currency.

He demanded that government ministers and chiefs of other governmental agencies ensure the supply of raw materials for the food and light industries and other branches of the economy within a week's time. In turn, industrial enterprises are to fill the commodity market with foodstuffs and essentials within tight deadlines, too.

Producers will be able to export goods only after the internal demand for their products has been satisfied. "This is a tough measure, but it is necessary", President Rakhmanov said.

He believes that if the planned measures to introduce the national currency are implemented in full, production is likely to rise by the end of this quarter. "In turn this would help raise the economy and make the Tajik ruble a firm national currency", he said.

Since the new national currency was introduced in Tajikistan on May 15, its exchange rate to the Russian ruble has remained the same, 1:100. The Bank of Tajikistan's official exchange rate is 54 Tajik rubles for $1.

Reports from Dushanbe say that in spite of government's efforts and the ban on payments in any currency other than the Tajik ruble the latent circulation of Russian money in Tajikistan's government remains.

Uzbekistan

Ukrainian President Kuchma Continues Visit

Karimov, Kuchma Visit Samarkand

LD2106171095 Tashkent Radio Tashkent Network in Uzbek 1000 GMT 21 Jun 95

[FBIS Translated Excerpt] The official visit to our country by Ukrainian President Leonid Kuchma is continuing. I will hand over to our speical correspondent Ghofur Jamolov.

[Jamolov] Thank you. Good afternoon dear radio listeners. Today, on the second day of his visit, the Ukrainian leader and members of his delegation visited the Uzbek International Center, where the high-ranking guest met ethnic Ukrainians living in our country. Uzbek Ukrainians, who spoke at the meeting, sincerely welcomed President Leonid Kuchma on Uzbek soil. [passage omitted]

The Ukrainian leader and his wife, accompanied by the president of our country, Islam Karimov, and his wife left Tashkent for Samarkand. [passage omitted]

The same day, the high ranking guest arrived in Samarkand. Our country's president, Islam Karimov, and Ukrainian President Leonid Kuchma were met at Samarkand airport by the region's head, Pulat Abdurakhmonov, and other officials. Girls in national costume offered red flowers. The high-ranking Ukrainian guest, accompanied by President Karimov, is currently viewing historical monuments and places of note in Samarkand.

Ukraine's Independent Policy Praised

LD2206082495 Tashkent Uzbekistan Television in Uzbek 1600 GMT 21 Jun 95

[FBIS Translated Excerpt] Uzbek President Islam Karimov returned to Tashkent from Samarkand this afternoon. [passage omitted]

[Correspondent] At the airport, Uzbek President Islam Karimov answered journalists' questions on the results of the Ukrainian president's visit to Uzbekistan.

[Begin Karimov recording] [passage omitted] There is another, political aspect to this. If we analyze the current situation in the former republics of the Soviet Union, if we look at them more deeply and take everything into account, many republics, I openly admit, are independent only on paper. That is, there are certain republics which are ready to give up their independence, and we should clearly take note of this. Maybe my words will offend some of them, but this is the truth.

But if you look at things from this point of view, you will see that Ukraine is taking firm steps along the clear path of independence. It has its principles and clear-cut aims, and it will never give up its independence. We should truly acknowledge this.

From this point of view then, the more Uzbekistan establishes independent relations with Ukraine, the more strength it will find along its path to independence. For Uzbekistan and Ukraine to stand shoulder to shoulder and cooperate on the same path and with the same aim will give great support to both countries. No one should fail to take account of this.

On the international arena too, if we can agree with Ukraine to coordinate our foreign policies at the United Nations, in Europe, at international organizations, on the international arena in general, and if, together with Ukraine, we use these policies and pursue our aims, I really think that Uzbekistan will be the beneficiary, and Ukraine too, and both countries will benefit. [passage omitted] [end recording]

Kuchma on Budennovsk, Future of CIS

*LD2106231095 Moscow INTERFAX in English
1811 GMT 21 Jun 95*

[From the "Presidential Bulletin" feature: By Nikolay Zherebtsov, Andrey Petrovskiy; Edited by Vladimir Shishlin]

[FBIS Transcribed Text] Uzbek President Islam Karimov believes that the future of the CIS is largely dependent on the way Russia behaves.

If it develops in compliance with its Charter, the CIS will enjoy the support of everybody on its soil, he said at a news conference in Tashkent Tuesday [20 June] at the end of Ukrainian President Leonid Kuchma's visit to Uzbekistan.

Karimov praised the CIS Collective Security Treaty. He said that the treaty helped protect the Tajik-Afghan border, which was of paramount importance to Uzbekistan.

For his part, Kuchma said that the Commonwealth has been "a form of transition from one state structure to another." In his words, the future of the CIS depends on establishing "mutually beneficial interests and equal cooperation."

Answering a question on the Budennovsk tragedy, Karimov emphasized that he deplores all kinds of terrorism. He added, however, that the root causes of the problem have to be dealt with. According to him, the hostage crisis in Budennovsk is a consequence of the situation in Chechnya in recent days.

"When one starts anything, one should think of the consequences," Kuchma said about the Budennovsk events and the situation around Chechnya.

During his visit numerous bilateral documents were signed, in particular a declaration on expansion of cooperation, a treaty on economic integration and agreements on cooperation in science and technology, education, public health, tourism and sports.

Kuchma Signs Agreements, Ends Visit

*LD2106195995 Moscow ITAR-TASS in English
1456 GMT 21 Jun 95*

[By Vilor Niyazmatov]

[FBIS Transcribed Text] TASHKENT, June 21 (ITAR-TASS) — Ukrainian President Leonid Kuchma has ended his two-day visit to Uzbekistan today. On the final day of the visit, Kuchma met representatives of the Ukrainian diaspora in Uzbekistan, numbering over 300,000. Later in the day, the Ukrainian president accompanied by his Uzbek counterpart Islam Karimov flew to Samarkand where he went on a sightseeing tour.

During the visit, the heads of the two countries held official talks. Kuchma and Karimov signed a declaration on extending and deepening Uzbek-Ukrainian cooperation and an agreement on strengthening economic contacts.

The Uzbek and Ukrainian delegations considered a package of bilateral documents. Agreements were reached on cooperation in science and technologies, tourism, sports, health service, pharmaceutical industry and information. Documents were signed on a consular convention and other problems pertaining to the activities of the embassies of the two countries. The agenda of bilateral talks included problems of military and technical cooperation, fight against organised crime, banking operations and the establishment of joint Uzbek-Ukrainian banks and trade missions.

"The realisation of the documents which we signed will promote strengthening friendship and cooperation between our countries," Kuchma said. He pointed out that Ukraine looks upon Uzbekistan, which has an important geopolitical position in the Central Asian region, as a reliable strategic partner and is prepared to raise Ukrainian-Uzbek relations to a higher level.

For his part, the Uzbek president said that "political experts believe that developments in the post-Soviet space will largely depend on the development of relations between Ukraine and Uzbekistan. I fully share this view," Karimov said.

Details of Economic Accords

LD2206110695 Tashkent PRAVDA VOSTOKA in Russian 22 Jun 95 p 1

[FBIS Translated Excerpt] During a visit by President Islam Karimov of Uzbekistan to Ukraine in November last year, we became used to hearing that friendship and cooperation between our two states will be useful both for our people and all the CIS countries. [passage omitted]

The current visit of President Leonid Kuchma and the constant working contacts on economic, scientific, and diplomatic issues are evidence that interstate relations, cooperation, partnership, and interaction are assuming a permanent and profound form. [passage omitted]

The heads of the two countries agreed on government support for progress in establishing direct relations between economic entities, cooperation in various branches of the economy, in establishing joint holding and leasing companies, in the formation and activity of specialized enterprises, in the development of various forms of economic cooperation, in guaranteeing favorable conditions for mutual investments, and in the acquisition of property, including real estate.

An important point in the course of the talks between the two sides was an agreement on cooperation in the field of science and technology that will help put scientific research and development into the international arena, and will create new preconditions for the development of mutually beneficial trade and commercial relations.

Cooperation in scientific and technical policy will be carried out in the following areas: Fundamental research work in the field of natural and technical sciences to develop technology; training and probation work for specialists; standardization, metrology and certification; and protection of intellectual property rights and scientific-technical information. [passage omitted]

Armenia

Azerbaijan Said Buying Arms With Foreign Aid

NC2106203095 Yerevan Radio Yerevan International Service in Armenian 1800 GMT 21 Jun 95

[FBIS Translated Text] Most of the humanitarian assistance given to Azerbaijani refugees by international humanitarian organizations and some countries is being used by the Azerbaijani Government to meet its military expenses and to buy new arms. This was reported by Mikayel Hajyan, director of the Press and Information Department of the Nagorno-Karabakh Republic [NKR]. Specifically, the NKR's military intelligence headquarters has reliable information that $40 million sent from Turkey to Baku was used by the Azerbaijani Defense Ministry to purchase new types of armored cars from Ukraine. The $1 million provided by the Iranian Central Bank and the great financial assistance given by international oil companies has also been used for the same purpose.

But the real cause of concern, noted the director of the Press and Information Department, is that Azerbaijan is also making military use of the humanitarian assistance provided by prestigious international organizations, particular the United Nations. The international humanitarian organizations must follow the example set by U.S. Congress, which, with a special decision, prohibited, and is so far refraining from providing, humanitarian assistance to Azerbaijan, said the director of the NKR Press and Information Department.

Opposition Parties Issue Joint Statement

954F2555A Yerevan GOLOS ARMENII in Russian 15 Jun 95 p 1

[Unattributed article: "'Rumors Concerning Disintegration of the Opposition Are Strongly Exaggerated....'—Unification of Ten Opposition Parties Announced at Yesterday's Press Conference and Joint Statement Issued"]

[FBIS Translated Text] Conducting the press conference, Democratic Party leader Aram Sarkisyan stated that whereas hopes for the conduct of free elections were still alive until quite recently, the situation has presently changed radically. Power is concentrated in an ever narrowing circle of individuals, making it impossible for the judicial structure to operate independently. Under these conditions, 10 parties and sociopolitical organizations (the Communist Party of Armenia as an associate member) have advanced three basic demands: the re-registration of all parties, blocs, and individuals whose registration was illegally rejected; if re-registration takes place, the voting time frame must be shifted with the aim of ensuring equal conditions for all candidates; and opposition parties must receive every opportunity to present their positions on the issue of the Constitution and elections. As far as future actions are concerned, an announcement in this regard will be made at a demonstration to be held at 1700 16 June on Theater Square.

The main objective of "the 10" is to ensure the opportunity for free elections and free expression of the will of the people. A council has been established, as well as an executive organ of the association consisting of seven individuals. Vazgen Manukyan has been appointed temporary head of this organ, for which a chairman and two deputy chairmen will be elected later. Decisions of the council, adopted by a vote, are mandatory for all.

Discussing the reasons prompting the ARFD [Armenian Revolutionary Federation—Dashnaktsutyun] to join the association, Vaan Oganesyan stated in part: "The powers that be have charted a course towards alienating power from the people, with the objective of ensuring that establishment of the authority does not depend on the expressed will of the people. The Rubicon was definitively crossed when a number of parties and individuals were refused registration. The ARFD is not participating in the elections, but is absolutely a part of this association." The Communist Party representative stated that it shared the view of "the 10" on the question of guarantees of free elections and nonacceptance of this draft Constitution. Responding to a question regarding the possibility that only one opposition representative might participate in each majority-based district, S. Shaginyan (Nation State) stated that such a formulation of the question constricts the framework of the association, whose main objective is to provide a mechanism of control and freedom of choice to the people. In this regard, in the opinion of "the 10," a great deal more lawlessness and tyranny will be perpetrated during the course of the referendum on the Constitution, insofar as this is of primary significance to the authorities. In the view of G. Kharatyan (Scientific-Industrial and Civic Union), the political apathy of the populace can be explained through fear and terror, and under such conditions conduct of a referendum is immoral. Answering a question on future steps to be taken, G. Khachatryan (Constitutional Law Union) noted that the opposition did not wish to act hurriedly, that extremely close cooperation was beginning to emerge, and that specific steps would possibly be discussed 20-22 June. V. Oganesyan added that nothing was being ruled out, and that if free elections turned out to be impossible, the opposition must orient itself accordingly.

Regarding guarantees to the effect that the opposition "10" would fight to the end and that the association would be truly strong and effective, G. Kharatyan noted that with respect to those issues around which the association constituted itself, these guarantees exist. But the opposition is not just 10 parties, G. Kharatyan stated. It is the majority of the populace—all of us—who must unite.

In conclusion, Vazgen Manukyan appealed to the journalists: "Let us not create the impression that this is just a struggle of opposition forces against this authority, to attain power. No, this is a struggle for the future of our entire nation, the future of our children. We call upon you journalists, upon all wholesome people, to unite together with us in the name of a future free and prosperous Armenia."

In particular, the statement of "the 10" states the following:

The authorities are striving to consolidate a dictatorship in the republic, flouting the law and pursuing personal objectives in this regard. Having lost the moral right to govern the country, the authority must be removed, but this must take place without social upheaval to the extent such is possible. The first step in this direction, even under conditions of the factual inaction of judicial organs, could be the elections to the National Assembly. Sensing the premonition of defeat, however, the authorities have cynically charted a new course of lawlessness, striving in this way to predetermine the outcome of the elections and referendum.

Recognizing the need for radical change in the situation and guarantees of free expression of the will of the people, we declare our cooperative effort in the name of righteousness.

The statement was signed by representatives of the following parties and organizations:

National Progress, Azgain Dashink-Dashnaktsutyun (Association), National Democratic Union, National Self-Determination Association— Christian-ocrats, Nation State, Scientific-Industrial and Civic Union, Women of the Land of Armenia, Democratic Party of Armenia, Communist Party of Armenia, and Armenian Revolutionary Federation—Dashnaktsutyun

Opposition Parties Seek Court Action

954F2570A Yerevan VREMYA in Russian 14 Jun 95 p 1

["Own Information" report: "Five Opposition Parties Taken Out of the Game"]

[FBIS Translated Text] The period for protesting the Central Electoral Commission decision concerning refusal to register sociopolitical organizations and electoral associations that had submitted applications to participate in the elections according to the proportional system expired yesterday. According to available data, all five parties and blocs of "rejectees" (National Progress, National Union-Dashnaktsutyun, Women of Armenia, and the Royal and Nationalist Parties) have filed complaints with the Arabkirskiy Rayon Court, which will examine the case over the next several days. Earlier, as is known, the Central Electoral Commission refused the applications of the organizations Aykhandukht, Working Armenia, ARFD [Armenian Revolutionary Federation-Dashnaktsutyun], and the Armenia (L. Aristakesyan) and Monarchist Parties.

Thus, 13 parties and blocs remain in the pre-election campaign, of which, in the opinion of analysts, only five or six have a chance of overcoming the 5 percent barrier.

Opposition Party Protests Criticized

954F2570C Yerevan RESPUBLIKA ARMENIA in Russian 15 Jun 95 p 1

[News Department report, followed by RESPUBLIKA ARMENIYA commentary: "The Opposition Is Trying To Unite for the Third Time"]

[FBIS Translated Text] A news conference of representatives of 10 parties who announced their association into a pre-election bloc of opposition forces was held yesterday in the headquarters of the ONS-X [not further identified] association. The creation of this union, the necessity of which the opposition has spoken of for so long, was the result of long political consultations among the leaders of the National Democratic Union, the organizations National Progress, National State, and Women of Armenia, the electoral alliance National Union-Dashnaktsutyun, the Scientific-Industrial and Civic Union, ONS-X, the Democratic Party, the Dashnaktsutyun Party, and also the Communist Party of Armenia. The last declared its own particular opinion regarding the structure and objectives of the association and joined the union as an associate member. The communists, probably, were troubled most of all by the fact that the decisions of the executive organ, consisting of Vazgen Manukyan, Albert Bagdasaryan, Igor Muradyan, Ashot Manucharyan, Paruyr Ayrikyan, Aram Sarkisyan, and Vagan Ovanisyan, are binding on all union member organizations. However, the Communist Party of Armenia is delegating three of its members to the staff of the council of the association, just like the other nine parties.

The council will elect a chairman and two of his deputies Saturday. Vazgen Manukyan, the leader of the NDS [National Democratic Union], was elected as the official for the coordination of the work of the executive organ. The views of the latter on the mission of the association that was established, judging by everything, differ somewhat from the role of the union as seen by the leaders of the other organizations, who unambiguously rejected the possibility of the creation of a situation in which one opposition candidate will be left in each district.

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RESPUBLIKA ARMENIYA Commentary

Of course, God loves the trinity. It is possible that this fact inspires the opposition with the hope that their next "dashink" will have a more enviable fate than the previous one. However, it can be predicted rather precisely how long a union that unites people who are so different in nature, approaches, views, and ideologies will exist—until such time as the ambitious leaders of the micro-parties no longer want to fulfill the decisions of the executive organ and its chairman in a compulsory procedure. The latter, incidentally, will probably be Vazgen Manukyan. Already the fact that the coalition friends immediately rejected the idea of support in majority districts of a common candidate from the opposition indicates a great deal. In particular, the fact that whatever you may say, charity begins at home, and is dearer than all edifying conversations about the need to "come out in a united front." This is understandable—the company of people that has been formed is too variegated in its views.

'Dashink-Dashnaktsutyun' Bloc Claim Viewed

954F2570B Yerevan RESPUBLIKA ARMENIYA in Russian 14 Jun 95 p 1

[ARMENPRESS report: "Imperialist Plots in the Electoral Commission"]

[FBIS Translated Text] The reason the members of the Dashink- Dashnaktsutyun pre-election bloc called a news conference was the Central Electoral Commission's refusal to register it, based on the large number of forged signatures. In this connection, the leaders of the members of the bloc of organizations appealed to the fourth estate to influence the first three in order to restore the rights of 25 percent of the population of Armenia who support Dashink [meaning unknown], whose program contains answers to all existing questions. The speakers announced the submission of an appeal to the Arabkirskiy People's Court and expressed confidence that the rights of the bloc will be restored.

Igor Muradyan, leader of the Zharang [meaning unknown] organization, which is a Dashink member, expressed the idea in this regard that Dashnaktsutyun is the only party in Armenia that possesses an ideology as such, and declared that the measures undertaken with respect to it are nothing other than a ban against the ideology of national-fundamentalism that it professes. A very interesting conclusion followed, which is that U.S. Ambassador to the Republic of Armenia Harry J. Gilmore governs Armenia and that its operations are coordinated by the Russian ambassador. The public can only guess at the role of the authorities, inasmuch as they are "agents of international centers that want to establish a new world order and to affirm their interests in the region." In a word, they agree with the opinion, widely disseminated by the communists among the Dashnaks, regarding the fact that what is happening today in Armenia is an imperialist plot.

What has really happened? Dashink-Dashnaktsutyun, striving to inculcate national fundamentalism and losing sight of the slightest need to fulfill the requirements of the law, simply submitted several hundred forged signatures to the commission.

Party Spokesman on Current ARFD Activities

954F2577A Yerevan VREMYA in Russian 17 Jun 95 p 3

[Interview with Vaan Ovanisyan, member of the Bureau of the Central Committee of the Dashnaktsutyun Party, by Artem Yerkanyan; place and date not given: "'The President Has Unscrupulous Informants,' Claims Vaan Ovanisyan"]

[FBIS Translated Text] [Yerkanyan] The activity of the ARFD [Armenian Revolutionary Federation Dashnaktsutyun] was suspended for six months by a decision of the court. Less than a month remains to the expiration of this period. What was done during this time to bring the party structure and party by-laws into conformity with the letter of the law?

[Ovanisyan] I want to remind you that we do not consider the verdict of the court legal. But one way or the other it exists, and the Ministry of Justice was obliged to present key factors to us for conducting specific measures that are intended to reform the structure of the party. We waited for this a long time, but it still has not happened.

The law on sociopolitical organizations stipulates the mechanism for prohibiting or suspending the activity of a party but does not mention the mechanism for restoration of it. That is, after handing down a verdict suspending the activity of a party in order to ensure its possible reorganization, the authorities at the same time deprived us of official ways of implementing this reorganization.

To introduce changes in the by-laws, it is necessary to convene a general meeting, which is not possible inasmuch as the activity of the party and, consequently, of all its management organs, is considered illegal. The possible variants of corrections cannot be considered in primary organizations, and in the final analysis they cannot be drawn up in the form of an official party document. This is an impasse from which it is impossible to extricate oneself. Naturally in this situation we could not in any way use the period stipulated by the court verdict to bring the activity of the party into conformity with the requirements of the law. The conditions under which the party has been placed make the authorities' attempts to achieve a total ban of Dashnaktsutyun as such absolutely obvious.

[Yerkanyan] In July-August the court will return to the question of the feasibility of restoring the activity of Dashnaktsutyun. By that time, probably, the trial will start in the case of the Dro group, which threatens a ban on the activity of Dashnaktsutyun, in the event the accusations brought by the president are affirmed. How do you picture the future, if the court does render such a decision?

[Ovanisyan] Our party operates in Armenia according to the will of the members of the Dashnaktsutyun Party, which was formed in a decision of the General Assembly of the Armenian Revolutionary Federation. The General Assembly alone is authorized to stop or suspend the activity of the party in Armenia.

[Yerkanyan] That is, you are prepared to ignore the verdict of the court, if there is such a verdict.

[Ovanisyan] Various forms of insubordination exist.... The Dashnaktsakans in Armenia number many thousand. They will not stop being Dashnaktsakans because the court renders a decision banning the party.

[Yerkanyan] As far as I know, the Dashnaktsutyun Party has undertaken a parallel investigation of the case concerning the Dro group. Are any kind of conclusions or versions possible today?

[Ovanisyan] It is very difficult for us to conduct an investigation, inasmuch as the people who are charged with participation in this group are in prison. However, the methods used to obtain evidence from those under investigation provide sufficient reason to doubt the justification for a majority of the accusations that were made. It is obvious that the lion's share of the charges are constructed on false premises. Whether these premises were created artificially, or whether they emerged as a result of the fact that the authorities were misled, is a separate question.

I do not know whether in fact the Dro group existed. I cannot assert that it did not exist. But I am ready once again to assert that the leadership of the Dashnaktsutyun Party did not create a secret organization and never gave it criminal orders. The leadership of the party is confident of the opposite, but before bringing accusations, it would be good to convince oneself of the respectability and competence of the sources of information on which the conclusions are based that the Dro group was a structure of the ARFD. I have serious suspicions concerning the fact that the sources of this information misled the president.

The passionate desire to find confirmation for the information that has come in and a conviction of its reliability are the result of a blindness born of hatred. A hatred for Dashnaktsutyun that has so blinded the eyes of the powers that be in Armenia that they are not capable of adequately assessing reality. This will lead to the decisions being made as a result that will have very dangerous consequences.

[Yerkanyan] A parallel investigation, if one is to believe the latest speeches at rallies, is also being conducted by Ashot Manucharyan. The information he acquired makes it possible for him to allege that the Dro group really existed and that it conducted only an insignificant part of the grandiose Zet operation, which is being directed by Western special services from Beirut. He also alleged the presence of definite Dro ties to Dashnaktsutyun, referring to reliable information concerning the fact that agents were skillfully introduced into the ARFD and, demonstrating their party membership, actually "exposed" the party. Is there anything you can say about this?

[Ovanisyan] I know nothing about the Zet operation, which, however, does not mean that such an operation could not have been conducted through Dro in Armenia. It is quite possible that this version really has some basis. The investigation that we are carrying out is also being conducted in this direction.

Nevertheless, I am not confident that the Dro group existed exactly in the form that is being presented to Armenians. It is probable that it is not quite that way.

[Yerkanyan] The murder of Ambartsum Galstyan fits very well into that aspect of the Dro you are talking about.

[Ovanisyan] In December of last year, after the arrest of several ARFD figures, a situation arose in which a terrible mortal danger coming from Dashnaktsutyun was supposed to be demonstrated to the ruling clique. This was necessary to justify the measures that were subsequently conducted against our party. The murder of Ambartsum Galstyan and the charge that the ARFD took part in it created splendid conditions for this.

A sacred question is relevant here: "To whom was it advantageous?" If you analyze the situation, you can without difficulty draw the conclusion that the murder of Ambartsum Galstyan was advantageous to many, but not to Dashnaktsutyun.

[Yerkanyan] Despite the official statement on the non-participation of Dashnaktsutyun in the parliamentary elections, your party has joined rather actively in the election campaign....

[Ovanisyan] Private persons who are members of the ARFD are on the ballot in many districts, but they are being nominated in a private procedure. It is hardly likely that their party affiliation will be recorded on the voting ballot, inasmuch as all party presses have been confiscated from us, and we cannot assure the right of a candidate to present himself as a Dashnaktsakan. At the same time the leadership of the party (especially since the activity of the bureau and the Central Committee has been suspended) cannot deprive Dashnaktsakans of the right to put forth their candidacies, to win in the elections, and to put the ARFD program into effect in parliament. The Dashnaktsutyun, I repeat, is not participating in the elections, inasmuch as it does not want to be the victim of the farce that will be performed at the beginning of July.

[Yerkanyan] Then why are you participating in the pre-election bloc of opposition forces?

[Ovanisyan] I would not even begin to call this a bloc. It is rather a community of parties whose purpose for uniting is not even victory in the elections. We were united most of all by recognition of the reality that the authorities are trying to restrict the activity of the opposition. Dashnaktsutyun is prohibited, and other parties have been refused the right to take part in the elections, and still others have been deprived of the opportunity to monitor the course of the elections. That is, the activity of all opposition parties has been restricted. The intention through joint efforts to oppose the pressure of the authorities is what led to the formation of this association.

The main task of the community today is to secure from the authorities the registration of parties and candidates for whom this was refused illegally. Another demand follows from this—to postpone the day the elections are held in order to ensure equal starting opportunities in conducting the pre-election campaign, and also the opportunity for equal use of the mass media Opposition parties that are friendly to us are continuing the pre-election campaign. We deem it our duty to help them in this respect.

Chairman Outlines Agrarian Democratic View

954F2558A Yerevan VREMYA in Russian 14 Jun 95 pp 1-2

[Interview with Telman Dipanyan, chairman of the Agrarian-Democratic Party, by Valeriya Zakharyan; place and date not given: "Telman Dipanyan: 'Without a Revived Countryside, There Can Be No Revived Armenia'"]

[FBIS Translated Text] All of his life has invariably been tied with agriculture. He graduated from the agricultural institute and graduate school, and became a candidate of economic sciences, then a corresponding member of the Agricultural Academy of the Republic of Armenia.

He has occupied high nomenklatura posts—deputy agriculture minister, first secretary of three rural rayons in turn—Megrinskiy, Bagramyanskiy, Oktemberyanskiy—and agriculture secretary of the Central Committee of the Communist Party of Armenia.

Today he is deputy director of an economics scientific research institute of the Agriculture Ministry of the Republic of Armenia. He is chairman of the Agrarian-Democratic Party. He is married and has three children.

[Zakharyan] Why is your party called the Agrarian-Democratic Party? In Russia and Belarus, as is well known, they have limited themselves to just the first half of that name.

[Dipanyan] The two fundamental principles of our party, which comprise its ideological basis, consist in the following: The reliability of the country's provision with food is a guarantee of national security. And the second: The might of a country is, in the first place, the stability of its agricultural development. So, in protecting the interests of the peasantry, the agrarian party is a defender of the interests of all the people as a whole. That is where the name comes from.

[Zakharyan] About two years ago, when your party had just been created, I conducted an interview with you for the newspaper URARTU. You had many plans, and very radical ones. Did you manage to realize them?

[Dipanyan] Unfortunately, far from all of them. Back in 1993-1994 we presented to the government programs for getting the agro-industrial complex out of the crisis that contained fairly well-founded proposals, capable of relieving the peasants' situation. Some of these proposals were approved, but farther than that the matter did not go.

We also repeatedly came out with declarations and took part in the elaboration of an alternate version of the Constitution, based on the principles of the priority of national interests, democracy, and also the life experience and traditions of the people.

One of our real achievements I consider to be, first of all, the agreement among the agrarian parties of four CIS countries—Russia, Ukraine, Belarus, and Armenia. In February of this year in Russia's State Duma, a meeting of the leaders of these parties took place, as a result of which the Declaration was adopted. In it, on behalf of the peasants of our countries, we stated that the destruction of the single economic space and the collapse of ties had led to the landslide slump in production. Therefore, the idea of reintegration is finding more and more supporters, and today there is no acceptable, healthy alternative to it. At this meeting, the question on the creation of an International Association of Agrarian Parties was also raised.

[Zakharyan] The government invariably enters land privatization in the "credit side" of its economic policy. An argument in favor of this is the saturation of our "kolkhoz market" and the relatively accessible prices. Meanwhile, you have called the peasants' situation very difficult, and justly so. What are your arguments?

[Dipanyan] This is so obvious that it does not even require special arguments. Land privatization was conducted in a slapdash manner and without any consideration for those inevitable difficulties that the peasants came up against and that they were essentially left to handle alone. Having had the land transferred into their possession, they were there and then hastily dubbed private farmers and left to themselves. Meanwhile, our peasant still has a long way to go to become a private farmer. What kind of private farming can we be talking about, when from the very first days of privatization, the government did not become a reliable guarantor and partner for the peasant. Besides the land, the peasants did not receive anything—neither seeds nor fertilizers, neither machinery nor even irrigation water—everything has to be got for a great deal of money and at the price of enormous effort. And this happened because, having rushed to destroy the kolkhozes and sovkhozes, the government did not concern itself even for the first while with the creation of reliable structures, which would have made easier the peasants' difficult transition path from the kolkhoz to civilized private farming. Our party asserted already at that time: In conditions of inflation, it is more profitable for the peasant not to sell his production to the state, but to engage in in-kind exchange. To receive, in exchange for raw materials handed over, the necessary means of production. The majority of peasants to this day have not received money for output that has been handed over to processing enterprises. And how are they to live further—with what are they to buy everything they need for the upcoming season? So he brings everything to the market. But since the purchasing power of the population has dropped sharply, our market is fairly saturated, and accordingly, the prices on it are more or less acceptable, since it is necessary to sell everything, and the goods are perishable. So I am not inclined to share the optimism of our state and to view the saturation of the market as an argument in favor of the development of our private farming.

Today in the countryside there are practically no specialists to whom one can turn for qualified help; they are simply not stipulated in the village council list of staff members.

The members of our party's leadership often have to visit the localities and talk to the peasants, and the assertion that the peasants' position is a very difficult one has the most real foundations. And can one really say that the fact that the peasants, who are conservative by nature and genetically attached to the land, are already being drawn into the powerful wave of immigration is not a proof of this? It is now already late in the day to lament about what was done and how. The main thing is to correct that which can somehow be set right. In our view, it is necessary to re-establish state orders, at least for the basic types of production; otherwise, we will have total anarchy in the consumer market. In order more actively to influence the assortment policy, it is necessary to use more widely the levers of preferential lending, taxation, and price formation. In a word, freedom is all very well, but the state cannot exist without a clearly set up system of mutual relations with the peasantry. Everyone should realize that without a revived countryside, there can be no revived Armenia.

[Zakharyan] Several years ago, the opposition, which had not yet come to power, asserted that independent Armenia was capable of feeding itself. Now a new principle is being asserted—it is more advantageous to bring something in than to produce it locally....

[Dipanyan] Both are absurd; the truth lies in the middle. We must both bring in and produce. At any rate, not destroy the production that has already taken form, not ruin the major livestock-raising complexes and integrated poultry farms, in order now to bring in dressed chickens and fillets from the United Arab Emirates. How profitable would that be for the treasury?

And what has become of the traditional branches, which made Armenia famous throughout the world—viticulture, vegetable raising, fruit growing, wine making? The law that prohibits the already-formed structure of old plantations from being changed for five years after privatization is not working. Vineyards and apricot orchards are being mercilessly uprooted—the land is mainly being sown with grain and fodders—the peasant family also has to survive, after all, and experience shows that the state is a weak hope. So, like it or not, the engineer, the physician, and the actor begin to turn peasant, forgetting projects, patients, and the stage. Therefore, our party asserts: Help the peasant, and he will feed the people. Then everyone will return to his profession, and the nation will lose neither the talented physician nor the gifted actor.

[Zakharyan] How many candidates for deputies to the new parliament has your party nominated?

[Dipanyan] Showing no fear for the fatal number, we nominated 13 candidates. We collected 10,900 signatures, among them one 100-year-old peasant, who wished to affix his signature, as he said, to his peasant party.

Today we want one thing—to have our votes in the legislative organ and in this way to influence state policy relative to the peasants. I think that we could bring no small benefit; all of our candidates are professional agrarians, who have a good knowledge both of the specifics of the village and of the needs of the peasantry.

[Zakharyan] Your candidates are "12 angry men" and just one woman. Who is she?

[Dipanyan] "Angry" is not completely accurate, but we really are very alarmed and concerned by the attitude of the state toward the most acute peasant question of all time. About the fact that it, having given the peasants land, has completely relieved itself of any concern about them, from any responsibility for their further fate. As for the woman, she is Aykui Lambaryan—the chairwoman of the association of private farmers of Armenia. Let us hope that a woman among the candidates, unlike a woman on a ship, will bring us success at the elections.

SKP Head Reacts to Election Findings

954F2557A Yerevan GOLOS ARMENII in Russian 15 Jun 95 p 2

[Interview with Grant Khachatryan, chairman of the Union of Communist Parties, by D. Gevorkyan; place and date not given: "Grant Khachatryan: 'The Elections Will Either Be Held With Our Participation, Or They Will Not Be Held'"]

[FBIS Translated Text] The news about the refusal of the TsIK [Central Electoral Commission] to register the electoral association Azgain Dashink-Dashnaktsutyun, which includes the Union for Constitutional Law, had wide repercussions—and not only in Armenia. The list of candidates of this association is headed by Grant Khachatryan, chairman of the SKP [Union for Constitutional Law], who today responds to GOLOS ARMENII questions.

[Gevorkyan] Tell me, please, did you expect such a turn of events?

[Khachatryan] To put it briefly, I knew about it, I wanted it, but I did not expect it. To go into more detail, it is better to start at the end.

We Armenians are an amazing people. A natural sense of faith in justice compels us to think that people who have committed forgery, manipulations, and other crimes will at some stage stop to think, and draw conclusions from what they have done. Therefore, after the murder of A. Manukyan in a solitary confinement cell, the dismissal of Shakhnazaryan, and the rise of anti-AOD [Armenian Pannational Movement] feelings among people, I did not expect so many executors of the anti-Dashnak program to be found. This does not refer to the main executor—he staked his all, and has nowhere else to retreat.

As for the fact that I knew; that is, that I guessed something like this would happen in advance, as long as several months before the adoption of the Law on Elections the question was raised of the party participating in the elections without the collection of signatures. The only argument of B. Ararktsyan, the initiator of the unofficial conference regarding the Law on Elections, was as follows: Several dozen parties are registered in Armenia that have neither a rating nor a large number of members, and the collection of signatures will help sift out such organizations for the purpose of reducing organizational problems and state expenditures. And in an underhanded way they exaggerated the number of necessary signatures and lowered the percentage of permissible mistakes (3 percent for parties, including even when this figure amounts to 10 percent for a candidate in a majority district). They added the latter "soft cushion" for TsIK members from the opposition during a discussion of the registration of the AOD Anrapetuton bloc, when the opposition raised the question of more than 1,000 suspicious signatures. They were literally told the following: Where do you get your unnecessary suspicion from, do you really think that we will change the criteria for evaluating your parties during registration?

As a matter of fact, during the first verification of the signatures submitted by our bloc, which was conducted in accordance with procedure and established tradition, a subcommission of three persons found a total of only 115 suspicious signatures.

[Gevorkyan] You also said that you wanted such a turn of events. Please explain this thought.

[Khachatryan] The initial idea of this preelection bloc, specifically with such a name—Azgain Dashink-Dashnaktsutyun—arose in the Union of National Agreement of Five Parties. It was intended in this way to give the ARFD [Armenian Revolutionary Federation Dashnaktsutyun] the opportunity to take part in the first multiparty elections in Armenia, after including their leaders on the bloc list. The word "Dashnaktsutyun" was put into the name of the bloc, because as a result of the illegal suspension of the activity of this party it would be impossible to include it in the structure of bloc's participating organizations. However, under the conditions of the consolidation of the opposition parties around Dashink and the tendency of its expansion, a decision was made that is not clear to many. Three Dashink parties declared their separate participation in the party elections, and the AFRD bloc was joined only by the SKP and three other organizations: Artsakh-Ayastan, the Intelligentsia Union, and the National Patriotic Club Zharang, which symbolize the Karabakh problem, intelligentsia responsibility, and a national spirit. Many rejoiced at this, rubbing their hands together and predicting the break-up of the opposition. A wave of disappointment went through the people, which was reflected in the number of participants in rallies. They sought an explanation in the ambitions of the leaders and in the contradictory programs of the parties. But along with many objective and subjective reasons for such a confluence of circumstances, foreseeing just such a turn of events was a very important factor.

As you see, substantial opposition forces today have the capability not only to continue the preelection campaign, but also to support those who were illegally injured. And this is not all. Just two days before the expiration of the period for submitting lists of parties and blocs, ARF Dashnaktsutyun announced its own nonparticipation in the party elections. The names of all the Dashnaktsutyun leaders were removed from our list. An excellent opportunity appeared for an exceptionally clear experiment that made it possible to expose "the fighter against international terrorism and the narcotics mafia." We succeeded, without actually damaging our integrity, in temporarily separating two important components of the Dashnaktsutyun party from each other—its ideology and structure—and putting the national ideology to a vote separately. The inclusion in the final bloc list of people who are the true bearers of the national-patriotic idea and who have an irreproachable reputation among the people deprived the opponent of an opportunity to accuse them falsely of any kind of ties, especially binding ties with the ARF. After all, in his last anti- Dashnak speech in the Supreme Council of the Republic of Armenia, Ter-Petrosyan was able to characterize us only as "moral accomplices" in the "crimes" of the Dashnaks. We compelled the president and his team to take off the masks and show the true face of the ardent opponents of the national-patriotic idea. For the sake of this it was worth WANTING a rejection of this bloc's registration.

[Gevorkyan] Nevertheless, the court can prove the presence of more than 300 invalid signatures on your forms, and all your arguments will prove pointless. Especially since you yourself do not rule out the possibility of mistakes.

[Khachatryan] The arguments are made for thinking people, not for cowardly and mercenary functionaries. As for the mistakes, we knew who we were dealing with, and we carefully checked all the signatures before submission to the commission. Our experts sorted out more than 500 suspicious signatures to eliminate misunderstandings. I have already said that after verification, the subcommission found only a little over 100 suspicious signatures. Then the matter went like this: After a discussion of the question in the Security Council of the Republic, instructions came to the TsIK through its deputy chairman, G. Dzhangiryan, to fabricate a rejection. Sergey Pogosyan, a member of the subcommission for signature verification and a deputy of the Yerevan City Soviet, began a new search for invalid signatures. After the refusal of two other members of the subcommission to take part in this dirty affair, Pogosyan was joined by a member of our "fraternal" Republican Party and one other person. Over two days they "dug up" and without additional verification (this fact was concealed from the representatives of the opposition on the TsIK) submitted 363 forged and invalid signatures and more than 500 suspicious signatures at the last moment. Fourteen members of the Central Electoral Commission under the leadership of the irresistible R. Amiryan voted for rejection. Their references to the imperfection of the law are groundless, inasmuch as the Civil Code clearly defines such concepts as invalid and forged signatures, and also the methods for establishing them. The impartial court has all the proof of our correctness.

[Gevorkyan] RESPUBLIKA ARMENIYA wrote that you were shown about 60 signatures that were written by the same hand.

[Khachatryan] First, 60 is not 363. Second, this register was shown to me in the corridor, secretly, they said, as a favor, and they quickly took it away. I saw about 20 identical signatures starting with the letter A, and about 15 starting with Kh. I did not verify what kind of register they were showing me—ours or theirs. Our experts ruled out the presence of such a crude mistake on their part during a purging of registers. It is most likely that this is a forgery. A good judicial expert analysis is capable of finding this out.

[Gevorkyan] Your words about an "unbiased court" are somewhat unconvincing, and you also can be reproached for wanting to encroach on the rights of your voters for the sake of political aims.

[Khachatryan] I respect the presumption of innocence of the judges, and I am giving them a chance to show their best side. As for the rights of the voters, a lot has been done in the past several days: Information has been disseminated through all channels, international support is being organized, and the opposition is already working together. The 5 July elections will either be held with our participation, or they will not be held.

[Gevorkyan] Are you hinting at the possibility of boycotting the elections?

[Khachatryan] No, the law does not allow this. I have in mind either the restoration of our rights with a small change in the voting dates, or in the worst case—failure of the antipopular elections. I advise finding out who conferred the dubious benefit on us—let them know that this time we have conferred a dubious benefit on them.

New Power Engineering Journal Presented

954F2568B Yerevan RESPUBLIKA ARMENIYA in Russian 15 Jun 95 p 1

[Article by Ruben Meloyan: "Congratulations! A Journal Was Born"]

[FBIS Translated Text] The presentation of the journal VESTNIK ENERGETIKI KAVKAZA occurred yesterday in the American University of Armenia.

The journal will deal with work being conducted in the field of power engineering in both Armenia and in the entire region. I will note that it is the only one of its kind at present. The journal will come out in three languages: Armenian, Russian, and English, which, in the opinion of Samvel Muradyan, editor in chief, will make it possible for wider circles to become acquainted with the situation in the energy complex of the republic and the organizations that work here to implement joint programs.

The region, according to S. Muradyan's words, includes countries in which the slightest change in one immediately affects the others. "We had problems in both arranging contacts and in acquiring information; however, they were resolved in the process of work," he said. As a result, two issues of the journal have come out, and work is being done on the third.

The collective is inclined to broaden the scope of cooperation with both local firms and also with international firms. The circulation presently is small—250 copies in each language, and its increase will depend on how much the sales market will be expanded.

The journal is being financed by the United States Agency for International Development, but the journal will attempt to shift to self-financing starting in July. Time will tell how successful it will be, given the current realities. But we now wish the newborn good luck!

Azerbaijan

Reportage on Iranian President Rafsanjani Visit

Rafsanjani on Tour of East Azerbaijan

LD2006203995 Tehran IRNA in English 1513 GMT 20 Jun 95

[FBIS Transcribed Text] Tabriz, E. Azerbaijan Prov., June 20, IRNA — President Akbar Hashemi-Rafsanjani here Tuesday [20 June] described the victory of the Iranian nation in the sacred defense as unique in human history. The president added that people of the world should deeply study the victory of the Iranian nation against the Satanic powers.

Speaking in a joint flag hoisting ceremony of the Armed Forces, President Rafsanajani said that the Armed Forces have left a unique golden page in Iran's history making even the international organizations confess to the rightfulness of the Iranian people. He added that East Azerbaijan Province in light of the prevailing situation in Karabakh and Iraqi Kurdistan, is of strategic importance.

Lauding the bravery of the Armed Forces of the province during the 1980-88 Iraqi imposed war, the president said the security and calm across the region is the fruit of these efforts. He added that thanks to the efforts of the armed and the law enforcement forces the local people are treading on the path of reconstruction. The reconstruction and development projects under way throughout the country despite pressure of the big powers is highly impressive.

President Rafsanjani said that under the Islamic system the people and the Armed Forces are very close to one another, both working for reconstruction of the country.

Elsewhere in his speech, the president referred to the successful performance of the 'Ashura maneuvers, recently carried out by the Islamic Revolution Guard Corps (IRGC), and said recalling the epics of the sacred defense the maneuvers produced greater calm and confidence among the Iranian nation. He added that it is a unique privilege that the Iranian Armed Forces are under the direct command of the leader of the Islamic revolution, with no precedent in the world.

In another development today, work on the Ido-Ghamush Dam started in the presence of the president, 20 km southwest of Mianeh. The rls. 40-billion dam which will become operational in 1999 is to supply drinking water to Mianeh and irrigate more than 10,100 hectares of farmland. The president said that launching such huge projects by domestic experts proves the country's high potential in the field of reconstruction.

In continuation of his tour of this northeastern province, the president inspected the work on the Tabriz Sports Complex. Stressing the need for private sector investment in sport's projects, the president said that such a contribution will be highly rewarding from the religious point of view. The new Tabriz Sports Complex, 3 km south of the city, is being built in a 360 hectare area of land.

Rafsanjani on Economy, U.S. Sanctions

LD2106082795 Tehran IRNA in English
0746 GMT 21 Jun 95

[FBIS Transcribed Text] Tabriz, East Azerbaijan Prov., June 21, IRNA — President Akbar Hashemi-Rafsanjani here Tuesday night said that outstanding growth in industrial potentials of East Azerbaijan Province indicated that the government has been successful in its policies to mobilize the industrial sector in the country.

Making the remark in a gathering of provincial administrative council, the president outlined the achievements of the first five- year development plan.

He stressed that unity among the people, clerics and officials stems from cooperation and coordination among authorities of the Islamic system.

Pointing to increase in power production, development in steel and petrochemical industry, telecommunication and agriculture as well as promotion of higher education in the province, the president noted that due to its geographical situation, the whole Azerbaijan region can be changed into Iran's major economic center with potentials to take part in international markets in the Caucasus region.

He announced that given the current growth in production and decrease in economic dependence on hard currency, there is no obstacle in the way of securing foreign currency, adding that the government would seriously follow reconstruction of the country.

However, he said, the government attaches special importance to development of the deprived regions.

Commenting on U.S. economic sanction against Iran, the president said the embargo would have no effect given the potentials of the country.

President Rafsanjani, on a five-day visit to the province, Tuesday inspected construction operation of a textile factory in Sarab.

The factory, when put into operation, will produce 20,000 square meters of textiles each year and will create 450 jobs in the region.

While inspecting the factory, the president appreciated efforts made to establish major industries in deprived areas.

He expressed hope that producers would invest in textile industry given production of the required raw material in the country.

Meanwhile, President Rafsanjani visited the city of Bostan-Abad and gave a courtesy audience to local people of the city.

Addressing a gathering of people in Bostan-Abad, he said that since 90 percent of the regional people live in villages and are active in production sector, the government should pay further attention to rural areas in that region.

Defense Capabilities Discussed

NC2206075695 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian
0330 GMT 22 Jun 95

[FBIS Translated Text] Speaking to a gathering of East Azerbaijan University students and academicians last night, President Hashemi-Rafsanjani said that strengthening the universities and higher education centers as centers where expert human forces are trained is high on the list of government priorities. The Central News Unit reports that the chairman of the Supreme Cultural Revolution Council, speaking at Tabriz University, added: Currently 5 million square meters of educational space is being created in Iran according to the most modern international standards. The completion of this project will change the face of the country's higher education.

Assessing government policies in the First and Second Development Plans, Hashemi-Rafsanjani stated: Our main objective in our planning has been to achieve true independence in every economic, military, political, and cultural field within the framework of Islamic aspirations.

The president added: When a country is in need economically, it cannot safeguard its independence in other fields, certainly not in politics and culture. The president stated: Our people have clearly realized and feel the objectives of the government's plans today and see that a correct path has been chosen for achieving self-sufficiency.

Elsewhere in his remarks Hashemi-Rafsanjani stated: In our defense affairs too we have acted in such a way that if the enemies know the potential of the Islamic Republic of Iran today they will never think of committing aggression against us. The president stressed: In terms of defense the Islamic Republic of Iran has achieved independence.

Referring to America's recent sanctions, he stated: Thanks to the great infrastructural work that has been done in the country in recent years, such sanctions can have no impact on the Islamic Republic's economy. The president added: Today the Islamic Republic's oil experts are very capable of doing what foreigners have traditionally done. As for the sale of oil, we are facing no problems through increasing world demand.

The same report states that the students welfare complex of Tabriz University was inaugurated with the president in attendance last night. Some 2.2 billion rials was allocated to build the complex, which covers an area of 5,500 square meters.

Foreign Exchange Needs Discussed

LD1906202095 Tehran IRNA in English
1941 GMT 19 Jun 95

[FBIS Transcribed Text] Tabriz (East Azarbaijan), June 19, IRNA — President Hojjat ol-Eslam Akbar Hashemi-Rafsanjani said here today that the government would guarantee the foreign exchange needs of Iranian manufacturers.

The president who was addressing local industrialists at an industrial exhibition in this northwestern provincial capital expressed hope that the industrial potential of East Azarbaijan province of Iran would be exploited to the maximum.

Later in the session, governor general of East Azarbaijan 'Ali Abdulali-Zadeh offered a detailed report to the president of the industrial progress in the province during the past few years.

He said in 1978 before the triumph of the Islamic revolution, there were only as few as 150 plants and factories in the province whereas there are now 2,872 of them, of which 8 are heavy industries and 270 medium-size size industires.

He said the province manufactures 53,000 engines and 80,000 gearboxes yearly which in that respect is the heart of heavy auto-industries of Iran.

Visits Plant Near Tabriz

LD2106135095 Tehran IRNA in English
1318 GMT 21 Jun 95

[FBIS Transcribed Text] Tabriz, East Azarbaijan Prov., June 21, IRNA — President Akbar Hashemi-Rafsanjani here Wednesday [21 June] inaugurated a large stone processing plant at Azarshahr, on the outskirts of Tabriz.

Ambassadors and charge d'affairs of 30 countries to Tehran were present at the inaugural ceremony.

The president also inspected the Sangab mining and induslrial complex located in Azarshahr with an annual production capacity of 275,000 square meters of varying kinds of dimensional stones. The president described the complex as one of the modern stone processing plant in the Middle East.

Hojatoleslam Rafsanjani in his inaugural speech lauded the mines and metals ministry for his activities in areas of identifying mineral resources of the country.

He said mineral resources not only earn the country hard currency but can rid the country of relying on oil export.

The president added that diversifying hard currency earning resources including mine sector, was among the major policies of the country during its reconstruction era.

Pointing to its earlier inspection of igneous rock mines in the region rafsanjani said that every ton of such rock could fetch the country dlrs. 200 and if processed, it would earn the country more hard currency.

Construction work on 'Sangab' stone processing plant started in 1371 (1992-1993) and lasted until march 20, 1995 with a total capital investment of dlrs. five million plus rls. six billion. An additional dlrs. two million was spent on purchasing necessary machinery.

The plant can produce 270,000 square meters of strones in the forms of slabs and tiles annually.

Later, the president arrived in Bonab on the fourth day of his inspection tour of the province and was warmled welcomed by local people.

Addressing local people, Hojatoleslam Rafsanjani highlighted the importance of many industrial and development projects being implemented in the city.

Nuclear Research Center Openned

NC2206072595 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0330 GMT 22 Jun 95

[FBIS Translated Text] On the fourth day of his visit to East Azerbaijan province, President Hashemi-Rafsanjani inaugurated the first phase of the nuclear research center in Bonab. It was completed using 306 billion rials and $200,000 foreign exchange disbursements and has created the possibility for agricultural product radiation.

The Central News Unit reports that President Hashemi-Rafsanjani broke ground for the Azerbaijan thermal power plant's construction in Bonab yesterday afternoon. The first phase of the power plant will have two units, each with a 350-megawatt output. The project is envisioned to need about 600 billion rials from foreign exchange and rial distributions.

President Hashemi-Rafsanjani arrived to a warm welcome in Hashtrud yesterday afternoon. The president attended a large gathering where many voiced chants of Long Live Khamene'i, Long Live Hashemi. The president told the people that the area is specially placed in the Government's reconstruction plans. Referring to the government giving priority to underdeveloped areas in the First and Second Development Plans, the president said: Important infrastructure plans for the Hashtrud area have been envisaged. When they are implemented, this town's deprivation and isolation will end.

The Central News Unit reports that construction on the Qaranqu reservoir dam started at the same time as President Hashemi-Rafsanjani's visit to Hashtrud. The dam will be able to store 50 million cubic meters of water. Some 28 billion rials have been allocated to implement the project, which will irrigate more than 5,600 hectares of the region's dry and wet fields.

Rafsanjani Inaugurates Paper Mill

LD2106231995 Tehran IRNA in English 1746 GMT 21 Jun 95

[FBIS Transcribed Text] Tabriz (East Azerbaijan Prov.), June 21, IRNA — President Hojjat ol-Eslam Akbar Hashemi-Rafsanjani on Wednesday picked ground for a paper pulp factory in Maragheh in this northwestern province.

During a ceremony on the occasion, Industries Minister Ne'matzadeh said in a brief report on the status of paper pulp mills nationwide that the aggregate paper produced in Iran annually is about 270,000 tons which, he hoped, might reach 250,000 by the end of the year. [figures as received]

He said the per capita paper consumption in Iran is 12 kilograms per year, that is about 700,000 tons nationwide. Next year, he said, the largest paper mill would be inaugurated in Mazandaran Province on the Caspian which would improve the total natiowide production of paper by another 175,000 tons yearly.

The industries minister said another paper mill named Kaghaz Gharb is to be inaugurated before long which would then improve the total yearly output of paper in Iran to 500,000 tons.

The first phase of the Maragheh Paper Mill will have a yearly output of 20,000 tons of pulp. About rls 200 billion plus an additional dlrs 50 million has been allocated for building it.

The Maragheh Paper Mill will occupy an area of about 300 hectares in the saatellite town of Maragheh with an under-roof area of 35,000 square meters.

Georgia

Party Leaders View Adoption of Constitution

AU2106170895 Tbilisi AKHALI TAOBA in Georgian 13 Jun 95 p 5

[Report by Giorgi Udzilauri: "Who Wants To Postpone the Elections?"]

[FBIS Translated Excerpt] The session of the Constitutional Commission that had been planned for 7 June did not take place due to the lack of a quorum. As can be seen, certain people are not at all bothered by the approaching elections and preparations for them. It is possible that the elections will be postponed until the spring. It seems the majority of politicians are unconcerned by such a development of events and, as usual, are blaming the opposition camp for wanting to wreck the elections.

We asked several politicians whether Parliament would manage to adopt the constitution before the fall elections. [passage omitted]

Mikheil Naneishvili [Georgian National Liberal-Democratic Party chairman]: If events continue to develop as they are now, I believe dark forces will win the future elections. This is a pro-Communist reaction which the opposition cannot effectively oppose. Given such a prospect, the opposition naturally wants the elections to be held on time as the situation will subsequently continue to deteriorate. As regards the Constitution submitted by the authorities, it will be difficult for Shevardnadze to get it adopted as he will be unable to gather two-thirds of the votes. The Liberal-Democrats will support either the so-called small Constitution or the Law on Power that has been adopted.

Akaki Asatiani [chairman of the Union of Traditionalists of Georgia]: It will be difficult for us but we should manage it as it is essential for Georgia that the elections be held in the fall. For our party, it would be more advantageous if they were held in the spring, but the Traditionalists will try not to get the elections postponed. Their postponement suits small forces in Parliament that know they will be unable to secure seats in Parliament and, therefore, are muddying the waters, although they will be unable to put up a direct challenge. As for the constitution, the traditionalists support a federal structure for the country, but I have my doubts as to whether the institution of president is necessary.

Tengiz Sigua [co-leader of the National Liberation Front, former prime minister]: Naturally, it will not manage to do this. I believe work on the draft constitution should be continued, but, in the meantime, we should adopt the so-called "small constitution." As regards the actual date of the elections, I believe they should be held toward the end of October or during the first half of November. We should not defer them to a later date, otherwise the West will interpret this badly. The postponement of the elections suits the Union of Citizens which, some time ago, rejected the law on self-government. If we discuss this from party positions, it is possible that we will be left without a constitution or we will adopt it not in six months but in one or two years. However, Eduard Shevardnadze thinks that "Parliament does not need a constitution at all."

Eduard Shevardnadze: If things proceed in this way, I believe Parliament will not be able to adopt the constitution before the elections.

Is it possible for the elections to be postponed until spring? Anything is possible.

Nodar Natadze [cochairman of the United Republican Party]: An incorrect Parliament will be unable to adopt a real and correct constitution. Shevardnadze is seeking to force through a federation and presidential dictatorship, but I hope this will not succeed. It is impermissible for the elections to be postponed. They should definitely be held in the fall and it is my hope that truly national parties will emerge victorious.

Guram Muchaidze [chairman of the Social-Democratic Party]: Unfortunately, pluralistic anarchy reigns in Parliament and, in such a situation, I do not think we will manage to adopt the Constitution and electoral law. It is permissible to postpone the elections until the spring: Until the mafia clans in Georgia are brought under control, it is dangerous to hold elections. Otherwise, the mafia will de jure sit in power. In my view, one can expect the elections to be postponed and I think this is what will happen.

Russian Commander Praises Peacekeepers' Efforts

LD2106183795 Moscow INTERFAX in English 1230 GMT 21 Jun 95

[FBIS Transcribed Text] SUKHUMI, June 21 (INTERFAX) — Lieutenant General Vasiliy Yakushev, commander of Russia's peace-keeping forces in the zone of the Georgian-Abkhazian conflict, highly estimated activity of Russia's peacekeepers over the year of their staying in Abkhazia.

"The peace-keeping forces have ensured peace in this region, they have created conditions for a political settlement of relations between Abkhazia and Georgia and for the solution of the issue on the return of refugees," he declared in an interview with Interfax due to the anniversary since the adoption of the decision to send peace-keepers to Abkhazia adopted by the Federation Council on June 21.

Yakushev underlined that "none of CIS countries but Russia has sent its military detachments to the conflict zone."

"If there were no Russian peacekeepers combat operations would go on, — Yakushev declared. — Both Georgians and Abkhazians understand this and this determines the population's favorable attitude to the Russian peacekeepers."

Georgian Refugees Register in Abkhazia

LD2106153995 Moscow ITAR-TASS in English 1321 GMT 21 Jun 95

[By Irina Shchegoleva]

[FBIS Transcribed Text] SOCHI June 21 (ITAR-TASS) - Some 1,000 Georgian refugees who returned to the Gali district, Abkhazia, without filling out appropriate documents, voluntarily registered with Abkhazian authorities, ITAR-TASS learnt on Wednesday from Otar Kakalia, chairman of the commission on refugees at the Abkhazian president.

The Abkhazian side started registering refugees from May 25. According to Kakalia, Georgian authorities did not express their attitude to this action in any way. Peace keepers from the Commonwealth of Independent States help Abkhazian authorities in conducting registration.

According to the Abkhazian side, 20-30 people come daily to the registration centre in the city of Gali. Kakalia said that up to 40,000 refugees who returned there without appropriate documents, live now in the Gali district.

Kakalia is worried over the situation in villages of the Gali district, residents of which regard this operation with some apprehension. In this connection, Kakalia plans to hold a meeting with the heads of rural administrations to explain them the essence of registration.

Abkhazia's President Ardzinba Profiled

954F2559A Nalchik KAVKAZSKIYE NOVOSTI in Russian May 95 No 5, p 2

[Article by Zinaida Gabunia, professor of the Kabardino-Balkar State University: "I Think His Accession to Power Was Predetermined by Fate"]

[FBIS Translated Text] To an Abkhazian, 50 years is the age of entering maturity: a man who is noble and generous, restrained and wise, responsible for his words and actions, a source of strength for the family, with a developed intellect, and young in body and soul. In short, everything that is meant by the word "apsuara." To Vladislav Grigoryevich Ardzinba, president of the Republic of Abkhazia, doctor of historic sciences, and member of the AMAN [expansion unidentified], all this is close and easy to understand.

It was very difficult for me to gather enough courage to publish this small article next to those brilliant soliloquies about his activities currently appearing in the press. But I wanted my vision of him, like the whisper of his native land and the joy of the sky, to merge with the flow of all other thoughts.

Vladislav Grigoryevich Ardzinba's academic authority in the area of Khetology and studies of the Caucasus is extremely high.

He is the author of such widely known works as "Rituals and Myths of Ancient Anatolia"; "Similar Structural Attributes of the Khat and Abkhazian-Adygean Languages"; "On the History of the Cult of Iron and Blacksmithing Craft"; and many others.

His every work is amazing in the depth and breadth of the task it sets, the ideas it contains, the richness and abundance of data collected, at the same time politely breaking into the set world of customary dogmas and obsolete scientific notions. They reflect the author's scope of knowledge, conscientiousness, and validity. In the text of the book "Rituals and Myths of Ancient Anatolia" are the mores, feelings, customs, myths, thoughts, life—in short, everything that sets people of one distant era apart from those in another. In describing Khet rituals as the main source of information about Khat-Khet and Khat-Palay interaction, which began a long time before the formation of the ancient Khet state, the author reveals, on one hand, a strong Khat influence on Khets' and Palays' material and spiritual culture, and on the other, connects them with the spiritual and material culture of West Caucasus peoples, that is, Abkhazian-Adygean.

He traces a considerable number of the tsar's holidays to the local Anatolian tradition, sees them as borrowed from the Khets and some of their neighbors. As is known, in a particular folklore traditions reinforce, firmly and for a long time, certain cultural attributes, and then one feels even more strongly and deeply one's intrinsic connection with ethnic culture and ethnic life. Broad comparative analysis enabled Vladislav Grigoryevich to define many genetic and typological similarities with the mythological systems of the people of the North Caucasus. These data are essential for research of ethnocultural contacts and mutual enrichment, which have led to different forms of assimilation, which have made an important contribution in the development of the culture of the ancient Orient and the entire world civilization. They create a common unique synthesis of language and cultural values. Thanks to such research, two linguistic groups are currently clearly identifiable in the Caucasus family of languages: the Abkhaz-Adygey-Khat and the Nakh- Dagestani-Khurrit, which at the same time brings the Khats and Khurrits closer together within the languages.

Continuing the traditions of his mentor Vyach. Vs. Ivanov, a prominent Orientalist scholar in the area of Khetology, V.G. Ardzinba, having made a thorough study of all language sources on the development of metallurgy of iron among the Khats and Abkhaz-Adygey, and substantiating common ancient roots, identifies one important special trait, which shows up in epic Nart texts and cults—the notion of metal (from conception, birth, and hardening), which is very similar to that in Khat-Khet texts. This places the Abkhaz-Adygey tradition of blacksmithing close to the Khat-Khet mixed tradition. The materials, recoded in written monuments, enable the author to use a comparative-historical and historical-typologic method of analysis for reconstruction of general materials and spiritual culture of the Khats and Abkhaz-Adygey. This is explained by the fact that a most unexpected ethnic process took place here. The conclusions drawn by V.G. Ardzinba convince us of the truth of the prophetic words of the prominent 19th century researcher of the Caucasus, P.K. Uslar. Explaining traces of the presence of some European ethnic elements in the Caucasus in ancient times, he wrote that the mountain population grew through the inflow of new ethnic elements.... The newcomers, entering the canyon of the forbidding Caucasus, in a way cut off their past. All they sought in the Caucasus was freedom, and as a trade-off, they subordinated themselves to the strict rules of mountain life and merged with mountain people. "The Caucasus accepted anybody whatsoever, but having once accepted them, never let them go: Disregarding the comer's past, it once and for all forged their future into an unknown form.... Will it be possible to connect these disparate ends in the Caucasus itself, weave them into continuous threads, and through them connect Europe with Asia? The matured, enriched Europe will repay Asia a hundredfold for what it borrowed from it thousands of years ago." P.K. Uslar uses these historical reasons to explain the traces of the presence of some European ethnic elements in the Caucasus in ancient times. The study of the ancient history of the Old World brings the author to a concept of Asia as a common cradle "from which the dispersion of historical peoples began." It should be noted also that we have not yet fully internalized, identified, and realized the new historical and linguistic data contained in Vladislav Grigoryevich's scientific concepts. However, the absence of specialists of ancient language and written language among the Abkhaz-Adygey is a factor that to a large extent constrains the not-yet-read pages of our ancient history. Let us hope that the day will come when all these secrets will be revealed in the continuing work of the celebrant and the coming younger generation.

It follows that fate looks favorably on him in all respects: work he loves; a great family; and academic recognition. But at a difficult time for Abkhazia, fate returns V. Ardzinba to his native parts. He is needed here more than anywhere else. Immense organizational work fell on the scholar's shoulders—creating a modern research center, and then taking the helm of the state and political life in the republic. People like this are born in every generation, and they carry their heavy cross. Fragments of our ancient civilization rest on such people. Immersed in the facts of the outrage perpetrated in the area of ethnic policy in Abkhazia by Georgia, the Abkhazian leadership, stripped of all political and legislative rights, and headed by its leader—Supreme Council Chairman V.G. Ardzinba—took steps to achieve independence and establishing equal state relations with Georgia. This is precisely what was not to the liking of the fascist imperial forces in Georgia headed by Shevardnadze. And the act of perfidious attack by Georgia on the sovereign republic of Abkhazia was committed.

On the basis of some logical reconstruction of events from the life of V. Ardzinba and my faith in the Supreme Force, I believe that his accession to power was predetermined by the fate of our people. Imagine what would have happened if at the time some former party functionary was at the helm of Abkhazia. By the way, these party bureaucrats in the past participated in the Georgianization of our land. Fortunately, most likely at the command of our Lord, Ardzinba already was at the helm of Abkhazia—a historian who knew what the demise of a state, the people, and the disappearance of a nation means. How many sleepless nights did he spend over Khat monuments! How much sadness and pain for the demise of the Khat civilization! And now he and his people are on the threshold of such a demise. Will this become a new tragic round in the history of his ancestors?! Being fully aware of the external force of the state and the internal strength of his native land, his moral feelings merge into one whole with the aspirations of his people as one whole historical phenomenon. The harmony between the talents of a scientist and a politician is visible in all his undertakings. A war is a war. It exposes any head of state from both sides.

The entire world saw who is who. V. Ardzinba is a person who reinforces the dignity of altruist service to the people, carrying the eternal spiritual values of his people to the civilized modern world. Good and evil.... Eternal and indivisible notions. As long as human spirit and mind are alive, they will be engaged in a battle, and "good" will reveal itself to man, illuminating for him the road to the kingdom of truth and justice. This truth revealed itself to Vladislav, and he stepped forward, toward his long suffering people, to save his native land and his home. Today it is clear even to a child what Soviet armaments mean. They exterminate the innocent, while the culprits of this military gamble (of the likes of Shevardnadze) instead of a military tribunal show off with bloodied hands on television and in international tribunals. But they will face judgment. This is inevitable, albeit a little late.

From the first days of war, Abkhazia had the support of the Congress and the Council of the Kabardin people. I will always remember in those difficult days among other things the television speech of KBR [Kabardin-Balkar Republic] parliament Speaker Z.A. Nakhushev after his return from the zone of military action: His dejected look, the confusion in his eyes, the hopelessness of a large-scale war, the thought of saving children and women, and many, many unsaid things.... Because Abkhazia was surrounded by barbarians from all sides. Only he whose home has been visited by war could feel this way. And this was very important at the time. A man of state authority expressed his opinion and explained to the people the situation of their leader. I bow to him for this courageous step. And we, Russians from Abkhazia, stood there, on the other side of the Psou river, shedding tears for Abkhazia surrounded from all sides. All our life was there—motherland, parents, child warriors, brother warriors, sister warriors, friend warriors, the graves of our ancestors, our entire spirit, our entire existence. The only hope was Vladislav, with his will to organize a defense from the occupiers. You are already surrounded, and only beginning to put together a real army. I cannot imagine what he felt at that moment. The leader's authority and the faith in him is one of the most important factors in a victory. As is known, lust for power dries up a person, drop by drop; it takes away his conscience, destroys his inner world. He becomes smaller. Only a few, like Ardzinba, withstand this trial. First and foremost, the entire spirit of our people, our ancestors, concentrated in Vladislav. How costly was every mistake for him—even if committed by others! The war with fascist Georgia showed him to be a wholesome, clear-thinking, and wise man, who does not bend to anything or anybody, purposeful to the point of self-sacrifice, honest, principled, and if necessary, willing to become a victim. There is always something left in him of the irrational, something that cannot be explained. Possessed of high degree of spiritual freedom, stern and masculine, Ardzinba proved worthy of his heavy cross. And the hour of victory came. I think that supernatural forces took part in this war in a special way—through influencing the people and their mutual spiritual interaction. I think that during the liberation of the capital of Abkhazia Sukhumi everybody participated: those who had already fallen in the liberation of their capital and those who were clearing Sukhumi by armed force. Ahead of them floated the spirit of their dead brothers and sisters. In such circumstances, there could be no other ending except victory.

The honor and justice of our leader were felt not only by adults but first and foremost by children. In the harshest days of the war I witnessed in a trolley bus how a young child was telling his father (who had just picked him up from day-care) that they were playing war today, and he was Ardzinba.... and he defeated everyone. The eyes of the red-cheeked toddler were sparkling, and I, torn apart by grief, could not resist it—and hugged the heroic tot.

As is known, during the war the press is looked to with special hope. And today, puzzled, I came back to one and the same thought: There was not a single person among the Georgian intelligentsia—scientists and creative figures, whose thick dissertations and novels had been written on the material of the language, history, culture, and architecture of ancient Abkhazia—who had the courage to denounce the fascist occupation war; on the contrary, they exhorted young people (as Amiradzhibi, Kikabidze, Lordkipanidze, and others too numerous to mention did) to free Abkhazia of Abkhazians, who "came down the mountain 200 years ago"). And this is about the people, with whom they had lived side by side for so many centuries, occasionally merging together and forming a single state. Where are they now, these "friends" of Abkhazia, to whom many of our scholars unquestioningly bowed? The strength and glory of any nation lies in its solidarity and unity. Ardzinba with his people has managed to preserve the glory and pride of the people. Spiritual unity of the people can bring territorial unity, but forced territorial unity will hardly ever bring anyone to spiritual unity and mutual understanding between different people. Why should one of the oldest people in the Caucasus—the Abkhazians—disappear today from the face of the earth in the name of "inviolability of borders" drawn by the executioner Stalin? Who can tell when Stalin's principles of resolving ethnic issues will be dealt a crushing blow? How easy it must be for the people in the top echelons of power to live without moral convictions....

The sense of danger persists in the Caucasus. The expectation of a new explosion, catastrophe, artillery shelling, counterstrike, death, humiliation, and lack of understanding are not going away. I am convinced that the future of the multinational Caucasus is Peace and Accord. Caucasians are traditionally peace-loving people. Friendship and loyalty have always reigned in this land.

I think any Caucasian knows very well that only the homeland forms the history and culture, the present and the future of its people. And when the people lose their home soil, their native language, they disappear from the face of the earth. Each small nation is a part of the world civilization and culture. This harmony is the bridge between the Universe and our Earth's civilization. I am dreaming of that happy day in the life of Abkhazia when its President Vyacheslav Ardzinba will carry out only the constitutional duties of the president of the most civilized state. Of course, at such time, Khetology also will take some of his time. I want to conclude my small article about Vyacheslav Ardzinba with the words of our Bagrat Shinkub:

The hearth is burning and the flame is glowing,

Do not miss the moment to add firewood,

The undying flame

Is being passed from clan to clan.

I want everyone to know how to protect

The fire that has been carried on through the centuries,

Whose reflection has fallen on cradles

And on the gray hair of elders.

Peace and independence, prosperity to Abkhazia! And then President V.G. Ardzinba will feel a full measure of happiness.

Abashidze on Ajarian Economic Successes

954F2543A Moscow DELOVOY MIR in Russian 8 Jun 95 p 5

[Interview with Ajarian Supreme Council Chairman Aslan Abashidze by DELOVOY MIR staff correspondent Irina Dzhorbenadze; place and date not given: "Aslan Abashidze: Gain Should Be Used Gainfully"]

[FBIS Translated Text] When it comes to Ajarian Supreme Council Chairman Aslan Abashidze, people either tip their hats to him or challenge him. One hears most disparate characterizations of him: from a separatist-minded autonomous leader with predilection for behind-the-scenes political games, to the nation's savior and its only hope. Whichever—the fact is that Ajaria remains the most stable region in today's Georgia from the standpoint of crime, rally hysteria, and interethnic strife.

At the time when in the republic's anarchic euphoria buildings were being demolished and bridges blown up, Abashidze and his team built about 100 bridges. The naive provincial formula "we are as good as anyone else" was transformed here into "on the level of international standards." Horribly potholed roads and decrepit log houses stand side by side with posh stores and cafes, the ultramodern branch of the MNTK [Interbranch Scientific and Technological Combine] of ophthalmic microsurgery, and tennis courts with a surface which, in the opinion of foreign specialists, is on a par with Wimbledon. The fortunate geographic location of Batumi, which sits at the crossroads of trading routes between Russia, Central Asia, the Transcaucasus, and the Black Sea basin countries, permitted Abashidze to push through the idea of creating a free economic zone (FEZ) and to resurrect the idea of a duty-free sea harbor in Batumi port.

At the request of our DELOVOY MIR correspondent, Aslan Ibragimovich Abashidze, chairman of the Ajarian Supreme Council, describes the current state of affairs in autonomous Ajaria and its economic and business plans and prospects.

"Our country has every opportunity to become an economically strong state in the very near future;" says Abashidze, "this is our goal. And also—to interest the entire business world in working with us. Thanks to our geographic location and natural conditions we have every opportunity of becoming a Mecca of tourism. This is a fabulous land, but unfortunately, we have not succeeded in utilizing its riches."

[Dzhorbenadze] Are you talking about Ajaria or Georgia as a whole?

[Abashidze] Georgia, of course. One cannot speak about one extremity when the whole organism is sick.

[Dzhorbenadze] Against the background of the whole republic, Ajaria looks like a rather well-to-do region. How did you do it?

[Abashidze] There are many nuances here. Remember, in the movie "Seventeen Moments of Spring" Pleishner strolls around Switzerland, intoxicated with freedom. He has broken out of captivity. You know how it all ended.

It is the same with us. We got our freedom and unthinkingly, mistaking a mirage for a goal, began to move toward it, not knowing the way, without a program. When I came from Tbilisi to Batumi, I did not recognize my city—it was so politicized and crime-ridden. It was necessary to lead people away from that which is false and direct their efforts to work, dealing with social problems. We have succeeded. Over one month, protection of industrial facilities was beefed up. Not a single enterprise in Ajaria has been plundered. Over the past year about 6,000 persons moved here to settle permanently—Georgians, Russians, Armenians. We even have resettlers from Krivoy Rog and Taganrog.

[Dzhorbenadze] The subdued crime situation is the background against which events develop in Ajaria. But the region also has a lot of economic problems, which stem first of all from the energy crisis, does it not?

[Abashidze] We are not going to get far, of course, without electric power. And we cannot constantly count on outside help. Right now Turkey is helping us. In the past, we received electric power from the centralized grid. The Ajarian GES [hydroelectric station] produces only 15 MW. This is not enough. We decided to locally implement light projects—construction of small GES's. Our rivers can produce between 600 and 800 MW of electric power, which is much more than the region's needs. And export the surplus. We began construction of three mini-GES's in Shuakhevskiy Rayon, ordering generators for each of them from Russia and Ukraine. When these GES's go on line, they will fully meet the rayon's needs. In parallel, we are going to build thermal power stations. A joint enterprise—Adjar-Anadolu—has been set up with Turkey and is working in this direction. Turkey will supply us with fuel in exchange for exploitation of the local oil refinery and oil terminal. There is a project for construction of a 100 MW GES jointly with Western partners. Then we will have enough electric power not only for Ajaria but also for other regions in Georgia— Guria, Imereti, and Adigenskiy Rayon.

[Dzhorbenadze] Does the autonomous republic have disagreements with the center regarding economic policy?

[Abashidze] I would not call isolated "flaps" disagreements. After all, it is the center that helps us to deal with many regional problems. And we, in turn, work for the whole country. At the time when Tbilisi was receiving natural gas, Ajaria did not have any. We paid Turkmenistan several million dollars toward Georgia's debt, and for ourselves bought $57,000 worth of liquefied gas and distributed it to the population free of charge. We have finished a telephone program for several thousand lines. You can call anywhere in the world now. Sixty lines will be installed in the Sarpi area (bordering Turkey—I.D.). But on one condition—we can only use communications through Tbilisi's international code.

[Dzhorbenadze] Aslan Ibragimovich, Batumi has been declared a free economic zone. However, there is no proper legislation with respect to the FEZ. Does this not make this statement somewhat declarative?

[Abashidze] No. A free economic zone is a road to the economic prosperity of the entire country of Georgia. And this idea will be realized. Our specialists are studying the world experience of FEZ's on site, and the relevant documents already have been drafted. As to the legislative base, it does not make any sense to invent anything principally new. It will be a tried and tested world model. Setting up an FEZ in Batumi is an avenue of realistic replenishment of the republic budget. We pay between 31 and 70 percent into it. When the FEZ begins to operate, we will be able to pay more. I believe in the formula "strong center—strong regions."

[Dzhorbenadze] There was information on television that gas and oil deposits have been found in Ajaria. Is this based on facts or is it amateur speculation picked up by journalists?

[Abashidze] The Institute of Oil and Gas in Moscow has had this information since Soviet times. But no serious research was done. Recently, however, scientists came on a specially equipped ship and ascertained the presence of mineral deposits and the potential for their extraction. Their conclusion is this: There is oil and gas. Clean gas, at that, with only 12 percent hydrogen, which lies at a depth of only 1.5 meters. It is easy to extract. According to specialists' forecasts, we can count on billions of cubic meters a year. The oil also is high quality, and its field is mapped from the mouth of the Chorokhi river to Kobuleti. We were so happy we lit up a gas burner and made coffee on it for three days. We filmed very interesting footage.

[Dzhorbenadze] When will oil production begin?

[Abashidze] This I do not know. As soon as we obtained scientifically substantiated confirmation that we have oil and gas, we immediately came under attack from different sides. It came to the point of people coming from Tbilisi to persuade us that Ajarian oil and gas are a fantasy. And even if we could manage to set up production independently, we would be accused of separatism.

[Dzhorbenadze] This is very strange situation. You have gold lying on the surface, but you are not using it.

[Abashidze] The whole republic should benefit from it, instead of going begging to Turkmenistan. What is needed is for the center to understand the situation; and investors, first of all Russian ones. This is who we need to establish long-term cooperation with. We are waiting for the arrival of a Russian-American oil company. We will see where things go from there.

[Dzhorbenadze] It appears you do indeed have disagreements with the economic bloc working in Tbilisi.

[Abashidze] There are no disagreements; what concerns me is the lack of synchronized timing. We, for instance, have suspended privatization in Ajaria. It has not brought anything good. In the current situation, people do not get anything from the former all people's wealth.

You cannot go from amateur to professional without serious training—you are going to hurt yourself. I am not against privatization per se. But all in good time. There are no seriously interested persons or money for it, and I am afraid that privatization may turn into grabbization. For instance, before the FEZ, one square meter of space cost a ruble, but when the development program goes ahead for real, the price will increase several-fold. Do you know what the old tennis courts in Primorskiy park were appraised at? Eight dollars! Plants in the republic are given away for a song. We cannot proceed with privatization in keeping with the current model. We cannot privatize the port, the railroad, the refinery in one fell swoop. We need to set up joint-stock companies and lease the facilities.

Estonia

Prime Minister Addresses Dresden NATO Meeting

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[Prerelease of address by Prime Minister Tiit Vahi at the 12th "International NATO Workshop on Political-Military Decisionmaking"—in Dresden on 20 June]

[FBIS Transcribed Text] Mr. Chairman, Defence Minister Ruhe, Excellencies, Ladies and Gentlemen,

I am pleased to be here in Dresden to address this gathering of the key decisionmakers and opinion leaders of NATO states and those states that aspire, one day, to NATO membership. This forum provides us with a chance to discuss, outside the everyday and public routine of international politics, some issues which are of vital concern to all of us. I would like to thank the organisers, the sponsors and the Federal Republic of Germany for providing us this opportunity to exchange views.

Rather than concentrating on Partnership for Peace in the Baltic region, which we will discuss in greater detail later during this workshop, I would focus on some of the more fundamental issues that underlie the general debate over the enlargement of Western institutions. Namely, I would argue that much of the discussion going on in the columns of newspapers and the corridors of power overlooks three points. First, that the post-Cold War world is not a static, but a highly dynamic place; second, that things do not only change, but they change fast; and third, that the time to consolidate the gains is now, before the chance to shape the course of events slips away.

I would start with the state of the post-Cold War world. The city of Dresden is a most fitting place to remind ourselves of where we are today. A little more than five years ago, Dresden was one of the centers of a still divided Germany where the ripples of discontent first became public. These ripples became waves, which in turn swelled into a great tide that swept away the Berlin Wall, ultimately signaling the end of an era of division and domination.

In our case, the sea change happened two years later, when the aborted coup attempt in Moscow finally opened the way to fully re-instate our independence. But regardless of when the change occurred, the point here is that we can no longer afford to fixate on 1989 or 1991, as though time had not moved on since then.

Time has moved on, and at a tremendous pace. Estonia is a case in point. Four years ago, our economy was so tightly intertwined with that of the Soviet Union that many observers, both in the East and the West, said that independence was not economically viable. Today, we have managed to shake off the vestiges of a command economy to the point of earning praise as one of the models of free-market reforms in the former East.

I would take this opportunity to assure you that under my Government, which has been in the driver's seat in Estonia since the middle of April, these free-market policies will and must continue. They have proven to be the only way to improve living conditions for our residents, and have led to descriptions such as that coined by NEWSWEEK magazine of Estonia as The Little Country That Could, or, as others have said, as a kind of Wirtschaftswunder of the nineties.

These policies have been rather successful, if I may say so. If four years ago over 90% of our trade went East, then today, the bulk of our foreign trade—some 35% of imports and fully 64% of exports—are with European Union countries. We have used the few foreign loans we have taken not to prop up the economy, but for capital investments, in keeping with our continuing policy of trade, not aid. Although we are, of course, seeking to increase our exports, they are growing. Foreign investments continue to double every six months, to the point that Estonia ranks third in direct foreign investments in Central Europe, just behind Hungary and the Czech Republic. Our currency is among the most stable in Scandinavia, and our foreign currency reserves have more than tripled since our national currency, the kroon, was introduced during my first tenure as Prime Minister in 1992. We have a balanced state budget and actual growth in the GDP. Our flat 26% income tax and full repatriation of profits for foreigners doing business in Estonia make us increasingly attractive to investors.

Our progress in re-building democracy has been no less remarkable. In 1992, under my first Government, we wrote and passed by referendum a new constitution to assure that Estonia would be a state based on the rule of law. We have succeeded during the nearly four years since we re-established independence in re-creating state institutions responsive to the public and answerable to the constitution.

That these efforts have paid off was demonstrated in March, when we conducted our second free and fair post-Communist elections. The people voted overwhelmingly for staying the course of free-market reforms, but with greater attention to helping those sectors of society that need more assistance in getting used to the new system. I am proud to say that no extremist groups, either those from the left or the right, got into parliament. Just as important, Estonia's growing citizenry of Russian origin actively exercised the right to vote. In fact, the one Russian political party standing for elections was one of only seven parties or lists to garner the minimum 5% needed to pass into parliament.

This is an accomplishment that pays tribute to our efforts toward building a fair and just nationality policy based on political participation for all who have demonstrated loyalty to the state. The cornerstone of this nationality policy is our citizenship law, which has been hailed as one of the most liberal in Europe.

In March, as I was already conducting talks toward forming my Government, US Vice President Al Gore visited Tallinn. While there, he, too, paid tribute to the success of our nationality policy by saying, and I quote, "History teaches us that national independence can in some places stimulate national chauvinism. Yet Estonia's fair implementation of its citizenship law and political participation of Estonian citizens of Russian origin show that Estonia is becoming a state rooted in law, tolerance and based on modern civic values. In this demonstration of tolerance, Estonia is a model for the rest of the world".

All of these changes in my country which I have described illustrate my second point, which is that change has occurred rapidly. Perhaps the most recent graphic sign of this rapid change is our movement toward the European Union. Last year, we concluded a very favourable Free Trade Agreement with the European Union which foresaw no transition period. I am proud to say that our association agreement with the European Union, which I signed last week in Luxembourg, is the first among those concluded between the EU and Central European states that has no transition period.

I have followed with great interest the press reactions to our Europe Agreement. Some observers, such as Michael Sturmer who wrote on the topic last week in the FINANCIAL TIMES, believe that our association with the EU poses a challenge to Russia, and thus we should slow down the entire integration process. I, however, tend to agree with last week's WALL STREET JOURNAL EUROPE, which noted that our association with the EU not only sends a strong signal that the Baltic states have joined their natural place in Europe, but also gives the EU a needed impetus to return to its core values.

This mention of core values leads me to my third point, which is that the time to consolidate the gains of 1989 or 1991 is now. The European Union, and the Western European Union, have understood this very well. I can assure you that the implicit security guarantees of association with the EU is certainly not lost on us.

But much more can be done. The assumption behind doing anything at all is that the security of the Baltic states is in Europe's vital interest. Therefore it is in Europe's interest—and when I speak of Europe I am really speaking of the trans-Atlantic relationship—to integrate the Baltic states into Western structures. It is absolutely fundamental to this argument that a gray zone, or a kind of "no man's land" in Europe is an invitation for trouble.

A colleague of mine from another Central European country recently asked the rhetorical question: What do you do when you have a security vacuum? His answer was simple: you fill the vacuum with security.

We will surely discuss various ideas on how to do this during our workshop, but one idea I have is to make greater use of confidence building measures (CBMs), which is another name for transparency and openness. We need to go beyond measures such as the Conventional Forces in Europe agreement to a full array of such means. Such CBMs would not only enhance security in our region, which is already on the front line of the European Union, but would also strengthen security in the continent as a whole. It is important to remember that Baltic security is not what mathematicians call a constant-sum game, in which our closer relationship to Europe inevitably means a worsened relationship with Russia. On the contrary, our security would ultimately be good not only for Europe, but for Russia, too.

Thus, we need to act now in order to maintain the ability to shape events, rather than be shaped by them. Things change, things change fast, and we can help them move in the right direction only if we maintain constant engagement and keep our eye on the ball.

Thank you, I am ready to answer your questions.

Prime Minister Returns From Germany

LD2006213095 Tallinn Radio Tallinn Network in Estonian 1700 GMT 20 Jun 95

[FBIS Translated Excerpt] Prime Minister Tiit Vahi has returned from a NATO working meeting. He spoke about his visit to Germany to journalists at Tallinn airport.

[Begin Vahi recording] [passage omitted] I had a good opportunity today to give a speech at a special session where I talked about Estonian security policy and said that the progress we made in 1989 and 1990 must be consolidated; otherwise, it might be too late. There were questions asked, for example: How does Estonia see cooperation with NATO and NATO structures? The answer was that we see that there should be transparency and openness, so that we would be able to take part in exercises and work within NATO structures. There was also a question from Russian Ambassador Afanasyevskiy touching upon the subject of human rights in Estonia. I was pleased to answer that things are in order in Estonia regarding human rights, but that the topic of human rights is indeed very topical. This is particularly demonstrated by the events in Budennovsk, and this answer evidently pleased the questioner.

I dealt also with the Estonian economic situation. I believe I handled it adequately. That means that the economy will definitely be on the increase this year. If you have in mind the fact that we spoke about the situation in the country and highlighted statistical figures, with the economy in decline last year, then this applies to last year, but I feel more optimistic about the current year.

I would also like to emphasize once again that despite there being numerous different opinions, I still think that Estonia and the Baltic states made a firm step forward at this meeting, towards cooperation with NATO. [end recording]

Further on Premier's Comments

WS2106082695 Tallinn ETA in English
1852 GMT 20 Jun 95

["News Release"]

[FBIS Transcribed Text] Estonian Prime Minister Tiit Vahi, who returned from a NATO working session in Dresden on Tuesday [20 June], told ETA no arms purchase from NATO member states has been decided.

"Estonia has to turn its attention to strengthening defence ability," Vahi said. He stressed that state security issues and security of people are the priority questions, after which follow economy and other issues. "I think that cooperation with NATO is what helps us, for Estonian state alone cannot and is not capable of defending herself," he said, adding that Estonia lacked both human and other resources for that.

Answering a question on whether Estonia for some reason intended to buy arms from NATO member states, Vahi said that he does not want to speak now of plans that have not been decided upon.

Vahi confirmed that he personally did not share an opinion voiced by some politicians as if Estonia could exist as a neutral state between Russia and Europe. "Estonia has to decide which direction to take, East or West. We have made our choice and our road is to West. I think that it is possible to join cooperation with European Union on economic and political level with security cooperation," Vahi said.

Vahi said that although no association agreement with NATO was signed during his visit to Germany, he hoped that this will happen in the future as the present workshop dealt with several cooperation issues like NATO new security structures, NATO and Trans-Atlantic line, NATO and its programmes with partners.

The main topics of the two-day meeting were new NATO, NATO cooperation with its member states and associated partners. The Tuesday morning session, where Vahi delivered a speech was devoted to issues of the Baltic region. Vahi in his speech dealt with the importance for the Baltic region of NATO Partnership for Peace Programme, Estoniaos domestic and foreign policy priorities, economic development and Estoniaos perspectives in connection with signing an association agreement with the EU.

"I think that Estonia and the other Baltic states made a step towards closer cooperation with NATO," Vahi said, adding that this year several joint exercises were planned.

Defense Cooperation Memorandum Signed With U.S.

WS2206083095 Tallinn BNS in English
1327 GMT 21 Jun 95

[FBIS Transcribed Text] Tallinn, Jun 21, BNS — U.S. Undersecretary of Defense Walter Slocombe, who is currently on a two-day visit to Tallinn, and Estonian Defense Minister Andrus Oovel Wednesday [21 June] signed a memorandum on cooperation in defense and military matters between the two countries' defense ministries.

The United States reaffirms in the document readiness to develop defense cooperation with the Baltic state to help it as a member of the NATO Partnership for Peace program build up defense forces able to operate together with the alliance's forces.

The two defense ministries foresee forging closer links through meetings of a bilateral defense cooperation working group, periodical meetings of middle-level defense officials and exchange of delegations. The memorandum also provides for the implementation of the U.S. international military education and training program in Estonia and the participation of Estonians in the work of the George C. Marshall European Center for Security Studies in Germany.

U.S.-Estonian cooperation is expected to include in future staff meetings and reciprocal visits by army personnel to discuss problems of military doctrine, legislation, logistics, medicine, and military science.

Slocombe said in a speech following the signing of the memorandum that securing the sovereignty and independence of East European new democracies, including Estonia, is a part of the U.S. wider security doctrine.

Oovel noted in his remarks that the Estonian nation clearly understands that it belongs to the Western security architecture and wants to be a part of it.

Finance Minister Contradicts Premier on GDP

WS2106101995 Tallinn BNS in English
1647 GMT 20 Jun 95

[FBIS Transcribed Text] Tallinn, Jun 20, BNS — Finance Minister Mart Opmann said Tuesday [20 June] the Estonian gross domestic product fell by 3.2 percent last year.

"I'm firm in this belief," Opmann asserted, commenting on the speech Prime Minister Tiit Vahi delivered at a NATO workshop in Dresden. The premier stated Estonia had an actual growth in the GDP.

"A study conducted by a group of Bank of Estonia and Statistics Department employees and foreign experts showed that Estonia's GDP decreased by 3.2 percent last year," Opmann justified his statement.

"It is a matter of the credibility of the database used by the Statistics Department," the minister said.

Opmann remarked that the central bank, too, had accepted the results of the research made by the Statistics Department. "To be more precise, (the bank agreed) that the studies have been conducted on different bases and therefore show different results."

The data of the Statistics Department and the central bank on the changes in the GDP in 1994 differed by 7.9 percent.

According to the Statistics Department, the GDP decreased by 3.2 percent against 1993, while Bank of Estonia's calculations show a growth of 4.7 percent in the GDP.

Both the statisticians and the bank at first claimed the other party had used faulty methods.

Bank of Estonia information department head Kaupo Pollisinski said the Statistics Department based its calculations on production only, disregarding consumption and income. "These components have to be taken together," Pollisinski asserted.

Meanwhile, he admitted that central bank specialists did not take into account production figures, but only consumption and income.

Estonia's GDP in 1994 amounted to 30.2 billion kroons in current prices.

Leader of Ex-Communists on Role of Left Wing

WS1906083595 Tallinn BNS in English
1530 GMT 17 Jun 95

[FBIS Transcribed Text] Tallinn, Jun 17, BNS — Estonian society must sooner or later get used to it that, similarly to other European states, in Estonia too exists a left-wing movement, Estonian Democratic Labor Party (former Communist Party) Chairman Vaino Valjas told BNS Saturday at the party's fourth congress.

"There must without fail be a place for political pluralism in a democratic society," Valjas said. "You have to get used to the existence of a left-wing movement."

In Valjas' words, the Democratic Labor Party's closest aim is to join the European Left Forum.

The party intends to continue cooperation with the Democratic Union for Justice, Valjas said. The ex-communists and the union formed an alliance called Justice for the March parliamentary elections.

Valjas' report at the congress focused on the June 1988 plenary session of the Communist Party of Estonia [CPE] when the party's then leader Karl Vaino was replaced with Valjas.

He said he returned to the events that took place seven years ago because members of the Democratic Labor Party are still being referred to as ex-communists.

"The June 1988 session of the CPE laid the foundation for radical changes in the Estonian society and a revaluation of former policies," the Labor Party leader emphasized. "While we are being called 'former (Communists),' it's apparently necessary that we should once more consider those events."

The congress is going to elect the party's new chairman, secretary-general, and board.

Lithuania

President Reviews Crime, Municipal Problems

WS2106091795 Vilnius ELTA in English
1852 GMT 20 Jun 95

[From "News Bulletin" No. 782]

[FBIS Transcribed Text] Vilnius, June 20, ELTA — Crime and municipal problems were among issues touched upon by President Algirdas Brazauskas during his traditional interview to the Lithuanian radio.

The first group of 75 masters graduated from the Lithuanian Police Academy last Friday [16 June]. Around 200 bachelors and 400 policemen joined the ranks of law-enforcement officers.

President said he expected the team of young men to be of great support to the Interior system. He emphasized the fact that presently Lithuania badly needs two thousand policemen.

Last year 500 policemen were dismissed from office. As much as 1,200 of them were fired during five months of this year.

It was good the system was able to improve itself, President maintained.

During the interview Brazauskas spoke about problems currently faced by Lithuanian towns and districts after the recent municipal elections.

A town or district administrator's duty was to do everything to satisfy the needs of the community and not achive arty center's goals, President Brazauskas maintained.

Right-wing parties who have won the elections tend to appoint Conservatives to the post of town or district mayors. Most of the conservative mayors in their turn keep replacing town and district officials by their own men.

Such activities of certain officials must be given legal evaluation. There were laws which provided for an official's responsibility irrespective of the party he or she belonged to, President said.

The law prohibits dismissal of a person from his or her office due the person's subordination to one or another party. There was a certain fixed legal procedure and no party was entitle to break it, Brazauskas said.

Parliament Approves Bill on Political Parties

WS2106101095 Vilnius ELTA in English
1852 GMT 20 Jun 95

[From "News Bulletin" No. 782]

[FBIS Transcribed Text] Vilnius, June 20, ELTA — The law on alterations to the Lithuanian political parties and organizations law met with the Seimas [parliament] plenary meeting's approval Tuesday [20 June].

The law sets a more complicated procedure for registration of a party or organization.

Now a party's founders must file the application with the Lithuanian Ministry of Justice no later than in a month's period after the adoption the party's by-laws and programme and election of administrative bodies.

Now the parties and organizations will have to submit two copies of its by-laws, minutes of the constituent assembly, list of the founders containing their personal data, and samples of or draft tokens and flags.

Russian Stand on Baltic Oil Area Questioned

WS2006144695 Tallinn BNS in English
1355 GMT 20 Jun 95

[FBIS Transcribed Text] Vilnius, Jun 20, BNS — The State Commission for the Delimitation and Demarcation of the Lithuanian State Border and Economic Zone in the Baltic Sea is planning to ask Russian negotiators, at the next round of talks, to explain Russia's intentions to utilize the disputed oil field in the Baltic Sea.

The meeting is scheduled for next week.

The Russian INTERFAX news agency reports that the Russian state enterprise Rosneft, the Kaliningradmorneftgaz concern, and the German oil companies RWE-DEA and Veba Oil have signed an agreement to establish a consortium KANT. Sources in the Rosneft oil company say the consortium would exploit the disputed D-6 oil field in the Baltic Sea.

Russia claims the oil field is on the sea territory belonging to the Kaliningrad enclave.

The issue of the oil field's ownership cropped up last fall, when Lithuanian and Russian negotiators finalized the delimitation of the interstate land border and passed on to territorial seawaters and economic zones in the Baltic Sea.

It became immediately clear that the delimitation of the Lithuanian-Russian interstate sea border and economic zones would be complicated by the presence of crude oil deposits in the continental shelf, namely the so-coded D-6 deposit. The oil field itself is closer to Lithuania's seashore, but Russian oil companies have also taken an interest in the possibilities of using it.

Ernestas Grabazis, executive secretary of the Lithuanian State Commission for the delimitation of economic zone in the Baltic Sea, told BNS no changes have occurred in the positions of the sides, and the question of who the oil field belongs to remains open. As long as the interstate sea-border has not been fixed the sides should refrain from any unilateral action, according to Grabazis.

He also said Russia's intentions to exploit the disputed oil field have been confirmed by Lithuanian specialists.

Russia estimates the utilization of the D-6 oil deposit at about USD 280 million. The required investment into the project stands at USD 130-140 million.

Rosneft is conducting negotiations with a few foreign banks — reportedly the Dutch ABN-Amro Bank, the German Deutsche Bank and the European Bank for Reconstruction and Development — on bankrolling part of Russia's planned project.

Rosneft estimates that the oil field contains about 10 million tons of crude oil and could be exploited for 16 years, extracting 800 tons each year.

Other estimates put the total quantity of oil in the field at 75-175 tons.

Refusal of Visas to Russian Deputies Explained

LD2006125895

[FBIS Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 0900 GMT on 20 June 1995 broadcasts a three-minute report on a Russian State Duma protest to Lithuania over the denial of entry visas to two Russian Duma deputies who wanted to travel to Lithuania on 17-22 June to investigate the problems of Russians living in Visaginas.

The radio cites the Duma committee press service as saying that this is "an act of discrimination against the Russian parliamentarians and a hindrance to maintaining links with Russians in the near abroad which will provoke retaliatory actions."

The radio says that Vytautas Velicka, Lithuanian consul in Moscow, told the BALTIC NEWS SERVICE that the visas were denied because of irregularities in the application forms. If these deputies want to visit Lithuania as Russian parliamentarians, they have to present an invitation from the Seimas; but as they had been invited by the Visaginas local government, they can enter Lithuania only as individuals.

Mikhail Zakharov, member of the Duma Committee for CIS Affairs and Links with Compatriots, was to have been accompanied on his trip to Lithuania by Duma deputy Mikhail Vakulenko, member of the Liberal Democratic Party of Russia's LDPR Duma faction.

The radio says that when asked whether the visa was denied because Vakulenko is a member of Zhirinovskiy's LDPR, Velicka said that although Lithuania has views on certain people, in this case the irregularities in the visa application were the only reason for refusing visas.

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